



Social Mobility  
Commission

# State of the nation 2021:

Social mobility and  
the pandemic

July 2021



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Life Chances Act 2010



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## About the Commission

The Social Mobility Commission is an independent advisory non-departmental public body established under the Life Chances Act 2010 as modified by the Welfare Reform and Work Act 2016. It has a duty to assess progress in improving social mobility in the UK and to promote social mobility in England.

The Commission board comprises:

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- Jody Walker, Director of retail company TJX Europe
- Liz Williams MBE, CEO of FutureDotNow, a coalition focused on accelerating digital skills
- Sammy Wright, Vice-Principal of Southmoor Academy in Sunderland

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Social Mobility  
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## Foreword



**In the last 16 months, we have all lived through a once-in-a-generation crisis.**

The pandemic will have a profound impact on the UK over the next decades. There is a huge risk that the gap between the rich and the poor will continue to grow ever deeper and wider. The UK Government dug deep in its pockets to provide billions of pounds for people on furlough schemes and help for businesses and individuals hit by the pandemic. We applaud that commitment.

But as we emerge from the crisis and move towards recovery, it must dig deep again and take the same bold and decisive action to improve social mobility. Nearly one in three children in the UK now live in poverty, around 4.3 million. There could not be a more pressing time for the UK Government to make an action plan. Disadvantaged pupils in England are now as much as seven months behind their more privileged peers at school, including the gaps that grew in the last year. Young people have been more susceptible to job losses, with an 8.7% drop for working class men aged 16-24.

Now is the time to take action. We must not shy away from difficult decisions. We have drawn up a seven-point recovery plan which we believe will have the most impact on these groups. It will ensure that the disadvantaged are the first to get support to rebuild their lives and seize any opportunities, and to build a fairer United Kingdom, post-pandemic.

Now is not the time to cut public spending. We need to make the welfare system fairer and to use the tax system to pay for big recovery initiatives. Our proposals for education recovery, cutting child poverty by a third and creating opportunity for disadvantaged people will come with a hefty price tag, but they are critical to address the challenges we have identified – and they will benefit everyone in society. Small funding packages on the margins will have marginal impact. We urge government to ensure that any increases in taxation are levied on those most able to pay.

And that money should be targeted where it is needed most. We need to help close attainment gaps with a new student premium for 16-19-year-olds that will allow colleges and schools to invest in their students through tutoring, additional teachers or other evidence-backed interventions. We must invest in deprived communities by giving them the opportunities and skills to succeed. We should extend eligibility for 30 hours free childcare to all and give the early years workforce better pay and career structures.

But above all, we are urging the UK Government to put the poorest and youngest members of society centre stage of its recovery plan. Almost a third of the children in the UK now live in poverty and some regions have seen staggering growth. In the north-east of England, child poverty has risen by 11 percentage points in just five years. Children growing up in poverty will suffer worse health, education and life outcomes – and their chances for social mobility will be severely constrained. We know that targeting child poverty through welfare works – helping families out of poverty leads to better education outcomes, increased earnings for the child when they reach adulthood and even improved life expectancy. And ultimately, it benefits everyone in society when we are all better off.

Now is the moment to level up opportunities for children across the country. Ending child poverty is one of the most impactful and influential things the UK Government can do to improve social mobility. We are recommending that the UK Government make a significant impact on social mobility by making welfare more generous through increasing Universal Credit payments, extending it to second earners and reducing taper rates. We also want to ensure that benefits policy once again reflects a household's true size by removing the two-child limit. Our recommendations are only the first step of what must happen to end child poverty. We estimate they will lift 1.5 million children out of poverty, reducing the overall rate by 35%, and will help alleviate extreme poverty for millions more children.

COVID-19 has given many people their first real insight into how others live and how unequal the United Kingdom is. On our TV screens, we have witnessed cramped living in poor quality, high-rise accommodation where families sleep four to a room, with no outside space and no digital access. Some of the most pertinent debates about this pandemic were the reality of widespread food poverty driving thousands more to rely on foodbanks to feed their children.

But it's not just about the poorest. Opportunities are still based on what your parents did. Today, you are still 60% more likely to be in a professional job if you were from a privileged background rather than a working class background.

As Commissioners, we believe the United Kingdom has a unique chance to use this moment as an impetus to create change. Over the last three years, we have worked hard as a Commission to draw up proposals aimed at ensuring that the UK has better social mobility outcomes. We want to make sure that potential and initiative matter more than your background or the place you grew up. To do this, we must remove the blockages, from birth to work, that hold back the most disadvantaged members of our society. All of our recommendations – whether on early years, education, place, apprenticeships or career progression – are now more relevant than ever and will lead to better social mobility.

As Commissioners drawn from very different professions, often with our own upward social mobility stories, we strongly believe that government, teachers, employers and local leaders each have a responsibility to act now. This report builds on three years of our in-depth research and strategic thinking to set out a programme of reform to drive social mobility forward.

## Geography

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The UK Government has committed to levelling up the country. It has signalled a strong desire to ensure where you grew up does not impact where you go in life. We support this goal.



Our landmark report last year, the ‘Long shadow of deprivation’, showed in detail the scale of the challenge. We identified a true postcode lottery and showed how education alone cannot solve these complex issues. For example, we found that Bradford has some of the worst outcomes for disadvantaged young people in the country, with earnings of £9,500 per year and one of the largest pay gaps between young people from working class and better off backgrounds, even with the same levels of education. In comparison, disadvantaged people from neighbouring Harrogate earned £18,000 per year – almost twice as much – with a smaller pay gap.

Levelling up must take into account the varied outcomes people have, based on where they live. It should be about creating growth and opportunities, investment in infrastructure and transport, but it should also be about who benefits from available jobs, how people can move up the career ladder without moving to new areas, and how we create good lives for everyone, regardless of their postcode. Now is the time for an overhaul of existing policies and structures to tackle inequality within place.

But while our report showed education alone won’t solve this, it also showed how education still matters to social mobility – and how unequal outcomes are in different places. Much of the national debate about this has focused on outcomes for different ethnic groups, but this is a flawed way of approaching the problem.

Children in ‘coldspot’ communities are growing up in ex-industrial marginalised communities that have experienced decades of underinvestment. Most of these communities are predominantly White. Even for poor White boys, outcomes are not stable across the country and vary hugely by area. In metropolitan areas where schools and labour market outcomes are better, disadvantaged young people of all ethnicities are better able to thrive. Most disadvantaged, ethnic minority children are growing up in metropolitan areas many disadvantaged White children are not. As a Commission, we target our recommendations on the most effective interventions that will solve disadvantage across all ethnic groups.

The answer to these issues means thinking about investment in jobs, transport, housing, welfare and wider opportunities as well as in schools. We have often pressed the case for devolving more powers to the regions and city mayors in England and giving them more flexibility in how the money is spent. We believe this will be even more important now as we address the geographical impact of COVID-19.

Greater dialogue between schools, universities, colleges and local employers will help people stay and work nearer to local communities where they grew up – often offering them a better life. This work must help connect local partners to offer real solutions and pathways for people.

In our seven-point plan, we call on the UK Government to apply the lessons from Sure Start children’s centres as the new Family Hubs are rolled out in communities throughout the country. People need programmes that join up multiple agencies, that support parents to raise healthy children, and are flexible enough to work around complex work and family arrangements. Family Hub programmes require proper funding and must be targeted towards those who will benefit the most from them. As

Family Hubs are integrated into communities across the UK, we hope these important lessons from past initiatives are embedded into their design.

The impact of the virus may also have changed professional working patterns for good. Our recent research 'Moving out to move on' showed that privileged people tend to move to London or big cities to get a well-paid job, while those from poorer backgrounds lack the means or desire to uproot their lives. But the pandemic demonstrates this does not have to be the case. People no longer have to travel hundreds of miles or across the sea to improve their job prospects and become more socially mobile. In many cases, job opportunities are now just a couple of clicks away on a screen in a kitchen or bedroom, where living conditions, digital access and skills allow.

But there is no silver bullet. While homeworking can help, employers must also be incentivised to create more professional jobs in more deprived areas. We have called on employers, including the Civil Service, to move senior level jobs and high-level apprenticeships to these areas, to ensure there are greater opportunities for career progression for everyone. The UK Government has sought to lead the way on this with moves for many in Cabinet Office, the Treasury and other departments. The UK Government must consider how it can further incentivise employers to do the same to create opportunities and provide greater digital access and skills for everyone to thrive in a 21st century labour market.

We welcome the UK Government's decision to publish a levelling up white paper and appoint an adviser to steer this through, but we need clarity about this agenda's goals, funding and delivery. We intend to work with the UK Government in the coming months to ensure that this programme is as much about investing in people as it is infrastructure.

## A dialogue between nations and regions

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It is also time to recognise and learn from different approaches across all four nations – England, Wales, Scotland and Northern Ireland. Each nation reacted in its own way to the challenges of the pandemic. We must be prepared to learn more from each other.

The following four essays show how the different nations have sometimes drawn distinctions between tackling poverty and inequality and improving social mobility – but also that the three are inextricably linked. Child poverty has to be tackled to create opportunities for all. Equally, focusing on child poverty and inequality without an explicit effort on social mobility doesn't work either.

Our insights into the four nations show that no nation has found this balance, but also that many of the most significant levers for change often lie with the UK Government. Despite strong and visible commitments to tackling poverty and inequality, we find that Scotland and Wales have not yet made progress on all of our key indicators. But both nations have led on a commitment to socio-economic equality by enacting the socio-economic duty, a mandate for public bodies to consider the impact of their decisions on socio-economic disparities.

## Foreword

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Each chapter explores in detail how the different nations have delivered against key social mobility indicators.

### Early years, schools and further education

The lockdown from last March had an immediate impact on early years provision and experience. The closure of parks and playgrounds, for example, stopped children socialising and exercising.

Seven out of ten early years settings had to close due to financial pressures, with disadvantaged areas being hardest hit, and childcare workers either losing their jobs or put on furlough. Our report on the early years' workforce last year highlighted the already high turnover in this profession due to poor career structures and low pay. Now, 20% report they want to leave the sector after the strain of COVID-19. The attainment gap between poorer and more advantaged children by age 5 was already 4.5 months before the pandemic. We can no longer view the early years as 'childcare.' This is about a crucial component of our education system. Currently, the well-off are benefitting much more from early years entitlements than the poorest, who need the most support. This must change, starting with a better paid, qualified and stable early years workforce to deliver outcomes for children and with an expansion of the entitlement, so that more families can benefit from it.

Progress made in the last decade on closing the attainment gap in schools has been lost. Even before COVID-19, pupils who have spent 80% of their schooling in poverty were a shocking 22.7 months behind non-disadvantaged pupils on average. Education recovery will require an additional £10 billion in England alone, and will require evidence-backed interventions. We call on the UK Government to reform premiums, including introducing a 16-19 student premium. We also call for premiums to top up payments for students who are in persistent poverty and whose needs are greatest.

We praise each government for introducing flexibility into the education system in response to COVID-19. Indeed, many of the measures used during the pandemic are exactly the type of initiatives we have been calling on for years, albeit at a larger and more immediate scale. Post qualification applications to university, one-to-one tutoring and more teaching time during the school day for students who have fallen behind should all be on the table, long-term. We should be learning from initiatives like the T Level transition programme to help young people progress to Level 3, even before they complete their English and maths GCSE qualifications. These should not just be contingency measures but a much bigger effort to create permanent changes that will strengthen our education system for all learners.

### What now

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Over the last 18 months we have produced a significant body of evidence which is relevant for this new phase of rebuilding the UK. Many of the recommendations in these are vital not just to any recovery programme but also to fix the pre-existing problems in our society that lead to poor social mobility.

In addition to these recommendations, the Commission will soon publish our plans for a new measurement framework to assess social mobility over the next 30 years. This framework will help the Commission and policymakers better monitor and take action when annual changes are risking people's future social mobility prospects.

The country cannot rebuild itself after such an enormous shock without making sure that addressing social inequality is at the top of the agenda. Families and particularly children need to have the opportunity to thrive irrespective of their background or the place they grow up in.



#### Seven key pillars for recovery

- **Geography and local power** – A levelling up agenda that promotes equal outcomes for people living in under-invested places, and not just strategies that improve places generally.
- **Poverty and living standards** – The UK Government should make benefits more generous and account for different sized households in its calculations, starting by reducing child poverty by about a third.
- **Early years** – Higher pay and a better career structure for a workforce crucial to social mobility. Expansion of the 30 hours childcare offer regardless of education or training status.
- **Education** – A bigger focus on long-term deprivation, funding targeting, post qualification access to university and a student premium for those aged 16 to 19.
- **Apprenticeships and adult skills** – Increase the share of apprenticeships from disadvantaged backgrounds and make sure more get on to the higher levels.
- **Digital access** – Access to affordable broadband and digital devices for all households, as well as the skills to thrive in a 21st century world.
- **Work and career progression** – Ensure that all employers measure the social diversity of their workforce and focus on career progression for those from lower socio-economic background, including those in low paid jobs.



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# Executive summary



## Executive summary

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Against the backdrop of COVID-19, the Social Mobility Commission (SMC) has taken a deeper look at the progress made in all four UK nations in tackling poverty, addressing inequality and improving social mobility.

Our report reveals that each of the nations has struggled with the damaging impact of the pandemic from early years to training and employment, and that social mobility, already stagnant, could move backwards.

The SMC's remit is to monitor progress in social mobility across all the key nations, but only to advise on policy in England. Hence our recommendations in the next section provide the bedrock for a bold action plan for the UK Government, though many could be mirrored in the other nations. Most pressing is the need to end child poverty which is blocking progress across the whole of the UK.

England is the only nation solely legislated for by the UK Government. Scotland, Wales and Northern Ireland have separate parliaments or assemblies with different devolved policy responsibilities. Scotland and Wales have tax raising powers but use them to varying degrees.

Each has taken symbolic steps to try to address equality and social mobility. In April 2018, Scotland became the first UK nation to have enacted the socio-economic duty of the 2010 Equality Act, requiring public authorities to consider socio-economic impact when making decisions. In 2020, Wales introduced the socio-economic duty, with a similar aim, which came into force in March this year. The UK government has set up a data hub for socio-economic and geographical data based in the Cabinet Office. The Commission has long pressed for legislation for a socio-economic duty in England but this is yet to be enacted. The Northern Ireland Executive have recently endorsed a report and action plan to address the links between educational underachievement and socio-economic background.

The following section highlights the key areas of concern overall in the UK and in each nation.

## United Kingdom

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### Summary

**Across the UK there are already signs that attainment gaps between advantaged and disadvantaged children are getting wider.** Every critical measure of low social mobility – child poverty, income inequality, access to stable housing, unemployment for young people and gaps in school attainment – was poor in 2019. The impact of COVID-19 is threatening to make each of these factors worse.



### Highlights

- Disadvantaged young people and children living in poverty have been hardest hit by COVID-19 and could face consequences that affect them for years. Around 4.3 million children – almost one third of children in the UK – were living in poverty as of March 2020. This is an increase of around 700,000, or 3.7 percentage points, from March 2012.
- Furlough schemes have kept many people in jobs. Those from lower socio-economic backgrounds are more likely to work in working class jobs, which have seen some of the most significant declines in paid work in the pandemic.
- When the pandemic hit in March 2020, only 51% of households earning between £6,000 to £10,000 had home internet access, compared with 99% of households with an income over £40,000.
- Between 2012 and 2020, all parts of the UK grew their share of professional jobs in the economy. In 2020, nearly half (49%) of all UK jobs were professional, while less than 30% of jobs were working class. But is social mobility improving? You are still 60% more likely to get a professional job if you come from a privileged rather than working class background.
- In 2019, people from working class backgrounds in professional jobs earned about £6,000 less than their more privileged counterparts in professional jobs.

## England

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### Summary

**The number of children in poverty in England has risen by around 500,000 since 2012, yet England is the only nation in the UK without a strategy to address child poverty.** When the current £20 uplift to Universal Credit expires this autumn, millions more will be worse off.



### Highlights

- By autumn 2020, disadvantaged pupils in primary school were a total of seven months behind their more privileged peers. By this point, COVID-19 had already increased the attainment gap by 0.5-1 month on top of the existing gap. This is the equivalent of erasing between a third and two-thirds of the last decade's progress on closing the educational attainment gap.
- 30% of all children in England live in poverty, a much higher rate than either Scotland or Northern Ireland, but roughly equal with Wales.
- In the north-east of England, child poverty rates have risen sharply by around 11 percentage points in five years (from 25% to 37%). They are now close to the London rate of 38%.
- People from working class backgrounds are slowly becoming more upwardly mobile – 33% of people from working class backgrounds were in professional jobs in 2014 rising to 39% in 2020.
- But those from privileged backgrounds are also benefiting from the expansion in professional jobs. 62% of those in professional jobs are from privileged backgrounds, compared to 39% from working class backgrounds.



### Northern Ireland

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#### Summary

**Northern Ireland's unique post-conflict circumstances have exacerbated social deprivation.** Both this and its decision to keep a high proportion of selective schools have impeded progress in tackling social equality and social mobility. The nation's economy is heavily reliant on agri-food, retail and hospitality which have been hardest hit by COVID-19 and face an uncertain recovery.



#### Highlights

- Places at grammar schools have disproportionately gone to those from more advantaged backgrounds. 44% of children attend selective post-primary schools, but only 14% of pupils in selective schools are eligible for free school meals (FSM), (compared to 37% in non-selective schools).
- Almost one-quarter (24%) of children in Northern Ireland live in a household that, on income levels alone, struggles to provide the basics of heat, food and clothing or meet childcare costs.
- Significant gaps in school attainment between FSM and non-FSM students at Level 2 are larger for boys (30.6 percentage points) than girls (27.7 percentage points) and also larger for disadvantaged Protestant pupils (33.1 percentage points) than for disadvantaged Catholic pupils (27.1 percentage points).
- The proportion of professional jobs has increased creating more opportunity for social mobility, but still lower than UK-wide (42% against 49%). Those from professional backgrounds are still 80% more likely to be in those jobs than those from working class backgrounds.
- Qualification levels, wages, the proportion of high-paid jobs, the rate of job creation and new start-up growth are all lower in NI than the UK average. 25% of jobs pay less than the real living wage of £9.30.

### Scotland

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#### Summary

**Scotland is often perceived to be a place with good prospects for social mobility, but the reality does not match this.** It was the first UK nation to introduce a socio-economic duty, but it has no explicit social mobility strategy and social mobility outcomes have not yet shifted.



#### Highlights

- Educational attainment gaps are narrowing but they are still substantial. Only about 83% of pupils from the most deprived areas reach the expected standard at secondary school, compared to 96% of pupils from the least deprived areas. The gap has been stuck at 14 percentage points for the last three years.
- Free tuition creates equality of opportunity to access higher education but by itself doesn't necessarily close the attainment gap. There is concern that lack of fees inadvertently benefits students from wealthier backgrounds more and means that fewer funds are available to support disadvantaged students. The gap in progression to higher education between young people from most and least deprived areas is large (24.5% and 57.2% respectively in 2018-19) although it has narrowed in last decade from 38.1 to 32.8 percentage points.
- The proportion of professional jobs has increased, creating space for social mobility. However, 58% of those from professional backgrounds end up in these jobs, compared to 36% of those from working class backgrounds.
- Place matters in Scotland: deprived and post-industrial areas have the worst education and employment outcomes. Poverty is concentrated in the larger cities but also some areas surrounding Glasgow and rural areas.
- Unemployment among those from working class backgrounds and young people fell more in Scotland than in other UK nations before the pandemic (around one extra percentage point between 2016 and 2019).
- Scotland has consistently had low rates of child poverty compared to England and Wales, but 24.3%, or 240,000 children, remain in poverty. This is damaging to those children's future social mobility prospects. Scotland has more generous child poverty benefits than the UK Government and strategically focuses on lowering rates, which we applaud.

## Wales

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### Summary

**Wales has with England the joint highest child poverty rate in the UK.** Some progress made in recent years seems now to have fallen back despite valiant efforts to tackle inequality which have included laws on socio-economic duty and wellbeing.



### Highlights

- The unemployment rate for those from working class backgrounds in Wales has generally been higher than the rest of the UK over the last few years, although this gap is now closing (from 1.2 to 0.1 percentage points).
- Wales has had the joint highest child poverty rates in UK, along with England with 31% of children in poverty.
- The levels of in-work poverty in Wales are amongst the worst in the UK. 71% of children living in poverty live in working households, a figure which has been steadily increasing in recent years.
- The Welsh Government has prioritised raising standards in education and invested in early years, but there has been limited progress in closing the attainment gap between the most and least disadvantaged. The gap between the proportion of FSM and non-FSM pupils who achieve a good standard at GCSE has remained the same since 2007, at around 32 percentage points.
- 44% of people are now in professional jobs in Wales; an increase in the proportion of people in professional jobs represents an opportunity for social mobility – depending on who gets these jobs. 53.7% of those from professional backgrounds end up in professional jobs, compared to only 35.7% of those from working class backgrounds.



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# Recommendations



## Recommendations

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**Reversing the damaging effect COVID-19 has had will take investment and commitment.** These plans will not be cheap. It is essential that the cost of the crisis does not disproportionately fall on the poorest or average earners. The UK Government should consider the recommendations of the Wealth Tax Commission. To support this, the Commission will initiate a cross-party working group to explore and present credible options for Treasury.

We are prescribing seven key pillars to build back better:

### Geography and local power

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The UK Government has committed to 'levelling up' the country but so far, plans seem focused on infrastructure and area-wide outcomes. Our work shows that this is likely to miss the mark. Men from working class backgrounds earn twice as much as similar working class men, depending solely on where they live. We must ensure that levelling up invests in people as much as it invests in places.

- **Ensure that the UK Government's levelling up strategy integrates social mobility objectives:** The levelling up white paper should consider distributional inequalities within areas. Priorities should focus on greater powers for metro mayors, growth and access to professional jobs and the right measurements to track progress.

### Poverty and living standards

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Child poverty leads to worse health and educational outcomes, reduced development, and ultimately, worse social mobility. It is a preventable problem. Around 4.3 million children in the UK did not ask to be born into poverty, but their futures will be shaped by it nonetheless. With the will, the UK Government could immediately lift 1.5 million children out of poverty. This would raise life outcomes for millions of children, and make a significant, positive impact on social mobility at the same time. To do this, we must focus on both benefits and housing costs.

#### Child poverty

- **Design and implement a poverty reduction strategy for England and its regions:** Mirroring work that has already taken place in the other nations in the United Kingdom, the UK Government should measure progress using relative poverty after housing costs as the benchmark.
- **Make benefits pay for children:** Increase the rate for children in Universal Credit, legacy benefits, in child tax credit and for child benefits by at least £10 per week per child in the household; remove the two-child limit in Universal Credit, as children shouldn't be penalised for being born to large households; reassess the benefit cap, to ensure households receive payment based on their needs, which could help the

## Recommendations

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poorest families get by better; reduce the taper rate so that for every £1 you earn in work, your benefits don't decrease too sharply, to help second earners, particularly women, to get into work.

### Housing

High housing costs have led to the private rental market doubling in size in the last 20 years. This puts a strain on households' finances, creates inequality, and impacts children's education. Our recent work has shown how poorer children regularly moving schools contributes significantly to the educational attainment gap. Today, over 1.1 million people are on the social housing waiting list. To address this, the UK Government must build more social homes and create stability for private renters.

- **Increase the number of social homes:** Build three million social homes over the next 20 years.
- **Give security to private renters:** End Section 21 'no fault' evictions, as part of the UK Government's proposed 'Renters' Reform Bill', which aims to 'enhance the rights of those who rent.'

### Early years

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By the time children start school, poorer kids are already developmentally behind, and this 'attainment gap' grows throughout every stage of education. Quality early years education is not just about providing childcare or enabling parents to be in the workforce, it should deliver world-class education and development support to all children. Current early years entitlements are benefitting the better-off and are not reaching the families who most need high quality early years education.

- **Make childcare more available and accessible:** Expand eligibility for the 30 hour free childcare entitlement to all families, regardless of employment or training status; open universal childcare places for all two-year-olds; fund placements adequately, to ensure providers do not have to pass on basic costs to families.
  - **Expand Family Hubs:** Expand Family Hubs (currently 150 hubs across the country), which aim to provide targeted early intervention support; target them in disadvantaged communities; embed lessons learned from similar initiatives, such as using hubs to connect families to multi-agency programmes and offers.
- Early years

### Education

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Children and young people have missed over six months of in-person education during the pandemic – almost 5% of their entire educational career. Disadvantaged students have been the most affected and will require significant and targeted support to catch-up. We agree with analysis that education recovery will cost a total of £13-15 billion and

## Recommendations

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focus on evidence-based interventions that schools can deliver. In addition to those, we call on the UK Government to do the following for education recovery:

- **Introduce a Student Premium for 16-19 disadvantaged students:** Target funding at students who need it most, as they transition to a new phase of life. We already provide premiums from age 5-16. But disadvantage does not disappear at 16 and schools and colleges should be supported to close the attainment gap with targeted funds. As in schools, this premium should follow evidence-backed guidance but should be administered by school officials based on their needs (e.g. tutoring for disadvantaged students, hiring a new teacher, etc.). This should not replace the current bursary block funding pots, which serve different purposes.
- **Fund additional teaching time in post-16:** This will enable catch-up and can be built into the existing school day, with accountability through existing mechanisms.
- **Factor in persistent disadvantage into the Early Years Premium, Pupil Premium, and the Student Premium (proposed above) and assess the Early Years Premium:** Target additional funds to students who have been in poverty for 80% of their time in education; conduct an evaluation of the early years pupil premium by identifying how it is being used, whether there are any barriers to accessing it and what a fair value should be.
- **Provide funding to schools for teaching and learning responsibility (TLR) for mid-career teachers:** This will create an additional incentive for experienced teachers to go to or stay at disadvantaged schools.
- **Replace SATs (in years 2 and 6) with an externally moderated digital portfolio of work:** This must be shared with secondary schools to enable smoother transitions between key stages and assessed in order to continue monitoring attainment gaps. Primary schools should design these assessments in partnership with feeder secondary schools.
- **Use the end-of-year time for catch-up:** Young people taking GCSE's and A levels should be required to stay in schools after exams for catch-up. In the future, this time should be used to teach employability and life skills (e.g. CV writing, budgeting etc.).

### For universities

Access to universities is a crucial component for individuals' social mobility prospects. To get in, universities rely on teachers' predictions of their students' grades. But predictive grades are wrong over 80% of the time, and they can harm disadvantaged students the most. Efficiency gains in our examination system should help us build a more effective system for students. Additionally, universities should assess what measurements they are using to target those from low socio-economic backgrounds, both as students and in their workforce. Currently, just 16% of academics are from working class backgrounds (compared to 39% of the general population).<sup>1, 2</sup>

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<sup>1</sup> Laurison, D., Friedman, S., *The class ceiling: Why it pays to be privileged*, 2019.

<sup>2</sup> Social Mobility Commission, *Simplifying how employers measure socio-economic background*, 2021.

## Recommendations

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- **Implement post-qualification applications:** Reduce exams to a three-week period (which was the original plan for 2021) and have them earlier in the school year to enable universities to get results earlier.
- **Ask university applicants, students and the entire workforce for their socio-economic background:** Universities should report on the socio-economic background of their populations. For applicants and students, this complements existing measures of disadvantage used in widening participation efforts and will allow employers to better target outreach efforts. For its workforce, it will help universities become more socio-economically diverse and inclusive.

## Apprenticeships and adult skills

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Apprenticeships can be a powerful tool for social mobility. But even before the pandemic, our work showed how they were failing on almost every measure to reach their social mobility potential. The pandemic has exacerbated what we found, cutting off opportunities for disadvantaged learners who could most benefit.

- **Close the disadvantage gaps in apprenticeships:** The UK Government should ensure that those from low socio-economic backgrounds get access to what should be one of the country's premier routes to better social mobility. Use the levy and other mechanisms to incentivise employers to provide more Traineeships and Level 2-4 apprenticeships, and to move higher level apprenticeships into social mobility coldspots. The levy should no longer be used as an alternative route for degree qualifications for more privileged staff.

## Digital access

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When the pandemic hit in March 2020, only 51% of households earning between £6,000 to £10,000 had home internet access, compared with 99% of households with an income over £40,000. Even when poorer households had access to equipment and internet, they were then less likely to have the skills to utilise it.

- **Provide affordable access to devices and networks so everyone can engage in 21st century education and employment systems:** Ring-fence a portion of the digital infrastructure budget so that skills and access provision increase proportionate to infrastructure spending.
- **Ensure everyone is equipped with the essential digital skills for life (as defined by the Department for Education):** Ensure every child leaves school with these skills; include training and assessment of these skills in relevant apprenticeship programmes; incentivise employers to ensure they equip people in their sphere of influence with skills (e.g. workforce, customers and supply chain).



# Recommendations

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## Work and career progression

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Achieving better social mobility will take a coalition of partners. Here, we give recommendations to employers, who hold major levers to improve social mobility.

### For employers

Over the past 18 months, we've helped employers to build more socio-economic diverse and inclusive workforces. These are the building blocks that employers from any sector can implement:

- **Know your workforce:** Ask the key question to determine the socio-economic diversity of your workforce - 'What was the main occupation of your main household earner when you were aged about 14?' – then benchmark your performance against national and industry figures.<sup>3</sup>
- **Widen your talent pool:** Target schools and further education colleges in social mobility coldspots for outreach activity; recruit for skills and potential over qualifications and 'polish'; move senior, professional roles and high-level apprenticeships into coldspots.
- **Support employees to 'get on':** Our research consistently finds that those from lower socio-economic backgrounds face progression gaps. See page 18 for more actions you can take to support progression.

For a list of more comprehensive resources, employers can visit [www.socialmobilityworks.org](http://www.socialmobilityworks.org).

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<sup>3</sup> Social Mobility Commission, [Measurement](#), Accessed June 2021.



Social Mobility  
Commission

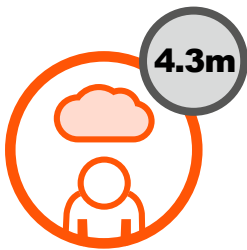
# The United Kingdom



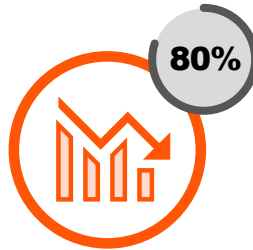
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## Highlights

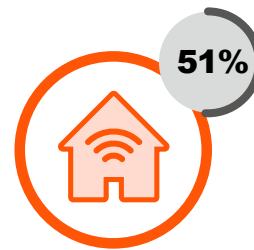
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Disadvantaged young people and children living in poverty have been hardest hit by COVID-19 and could face consequences that affect them for years. Around 4.3 million children – almost one third of children in the UK – were living in poverty as of March 2020.



Furlough schemes have kept many people in jobs, but at a maximum of 80% of normal salary. Those in working class jobs have seen some of the most significant declines in paid work in the pandemic.



When the pandemic hit in March 2020, only 51% of households earning between £6,000 to £10,000 had home internet access, compared with 99% of households with an income over £40,000.



Between 2012 and 2020, all parts of the UK grew their share of professional jobs in the economy. In 2020, nearly half (49%) of all UK jobs were professional, while less than 30% of jobs working class. But is social mobility improving? You are still 60% more likely to get a professional job if you come from a privileged rather than working class background.



In 2019, people from working class backgrounds in professional jobs earned about £6,000 less than their more privileged counterparts in professional jobs.



The policy response from the UK Government was swift and broad: the Coronavirus Job Retention Scheme kept many in employment; eviction protection kept people in their homes; and the £20 weekly uplift to Universal Credit boosted incomes for those forced out of work. But many of these schemes missed the most disadvantaged communities. Recovery will require significant, continued investment.

## Introduction

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**The United Kingdom has suffered a tremendous shock.** The COVID-19 pandemic is a once-in-a-century event that is likely to have repercussions for decades. Every critical measure of low social mobility – child poverty, income inequality, access to stable housing, unemployment for young people and gaps in school attainment – was poor in 2019. The impact of COVID-19 is threatening to make each of these factors worse.

In this chapter, we look at the overall picture of social mobility across the United Kingdom. We use data from September 2020 – just a few months into the COVID-19 pandemic. This makes it our first snapshot of the damaging effect the pandemic has wrought on socio-economic disparities and social mobility. We assess the current national state of social mobility, look at the winners and losers from COVID-19, and review the policy response across the UK to this shock.



### What is social mobility?

It's the simple idea that where you start in life shouldn't determine your future. It's ensuring each generation does better than their parents. And it's ensuring your potential, merit and choices determine your outcomes in life, not your background or the place you grew up in. To measure it, we look at what occupation or income your parents had, and what occupation or income you have.

But to get there, we have to look at what happens earlier in a person's life. Socio-economic gaps or disparities emerge right from birth and persist throughout life. When the pipeline of opportunity has holes in it, people with potential but not opportunity can leak out. When the Commission assesses government policy, we often look at these socio-economic disparities to see their impact on people's future social mobility prospects and we make recommendations to government on how to ensure its policies are helping fix these leaks.



## A note on our data

The Labour Force Survey (LFS) is carried out in four quarterly waves each year, and we have analysed data from the July-September (third) wave. This is our most reliable, workforce-wide dataset on social mobility trends and lets us look at trends since 2014, when the LFS started asking about participants' socio-economic background (SEB).

Because the LFS only asks a person's SEB in the third wave of each year, this is a first snapshot of COVID-19's impact on social mobility – the full impact will emerge over time. Wherever possible, we report from this third wave. However, where we've marked it in a few places, we have had to pool data across multiple years to achieve sufficient sample sizes. We have also used the 3-digit Standard Occupational Classification (SOC) code version of the LFS, which can be accessed in public-use versions of the data. This version is widely used, but our recent analysis has shown it is up to 3 percentage points less accurate than the 4-digit SOC code version of the LFS, in more confidential versions of the data.<sup>4</sup> For more, see Technical Annex.

## The state of the United Kingdom: how COVID-19 has shaped trends

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### Where we started from

On the eve of the pandemic, the UK's record on social mobility was poor. It ranked 21st for social mobility in the World Economic Forum's index – better only than the USA and Italy among G7 nations.<sup>5</sup> Driving this outcome was, in part, the country's poor scores on measures of educational quality and equity (44th) as well as on fair wages (36th).<sup>6</sup> But the picture wasn't entirely bleak. Compared to other nations, the UK has greater access to work opportunities (9th), which can drive upwards mobility.

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<sup>4</sup> Social Mobility Commission, [Simplifying how employers measure socio-economic background: An accompanying report to new guidance](#), 2021.

<sup>5</sup> World Economic Forum, [Social Mobility Index](#), 2020.

<sup>6</sup> Ibid.



## Who sets policy for the UK?

The UK works under a system called ‘devolution.’ Most power is centrally held by the UK Government, and legislation and government policy set here affects all four countries in the United Kingdom. The UK Government is overseen from the Westminster Parliament, which has representatives from all parts of the UK.

Scotland, Wales and Northern Ireland have specific powers “devolved” or given to them by Parliament in Westminster. We cover specifically what these powers are in each of their respective chapters. These countries have their own, separate Parliaments or Assemblies, meaning, for example, that a citizen in Scotland will be represented both in Westminster and at Holyrood (the Scottish Parliament).

When it comes to social mobility policy, the UK Government holds the key levers to impact change, with the biggest exception being education policy (which is devolved). Despite this, England, Northern Ireland, Scotland and Wales have taken their own approaches to tackling social mobility through policy, which we’ll look at in greater detail in later chapters.

## The labour market continues to grow opportunities at the top

The opportunities available in our workforce have been shifting in recent years. Before we dive into who gets which jobs, we must first look at how the workforce is changing.

The biggest trend, dating back to post-World War 2, is the growth in professional and managerial jobs. 75% of the UK’s job growth since 2012 has been in professional jobs.<sup>7</sup> Today, nearly half of all jobs are professional, while less than 30% of jobs are working class. Since we last reported on this two years ago, there has been a strikingly rapid rise in professional jobs – from 45% of jobs in 2018 to 49% in 2020 (see figure 1.1). England has the highest share of professional jobs in the United Kingdom.

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<sup>7</sup> From this point, professional jobs refer to the official classification ‘professional and managerial jobs’ and ‘routine and manual’ jobs are referred to as ‘working class’.

<b>What is my socio-economic background?</b> Your socio-economic background is defined by your highest earning parent's occupation, according to the National Statistics Socio-economic Classification (NS-SEC). <sup>8</sup> We present it in three groups:	
<b>Professional and managerial occupations (NS-SEC 1 and 2).</b> We call people whose parents were in this category 'advantaged', 'privileged', 'professional' or 'high socio-economic background'.	Examples include: CEOs, senior police officers, doctors, journalists, barristers, solicitors, teachers and nurses.
<b>Intermediate occupations (NS-SEC 3 and 4).</b>	Examples include: shopkeepers, paramedics, small business owners and police officers.
<b>Working class occupations (NS-SEC 5, 6 and 7).</b> We call people whose parents were in this category 'working class' or 'low socio-economic background'.	Examples include: receptionists, electricians, plumbers, butchers and van drivers. <sup>9</sup>

More room at the 'top' of the workforce can be a good thing for absolute social mobility – it can help more people access higher-paying, higher-skilled jobs. But we are highly cautious about the recent increased rise, as it's too early to know if it will be a long-lasting trend. The last year has seen significant emigration of low-skilled migrant workers, post-Brexit and post-pandemic, meaning these figures could be anomalies or they could be the start of a new trend. It is unlikely we will know for some time whether this shift will hold.<sup>10</sup>

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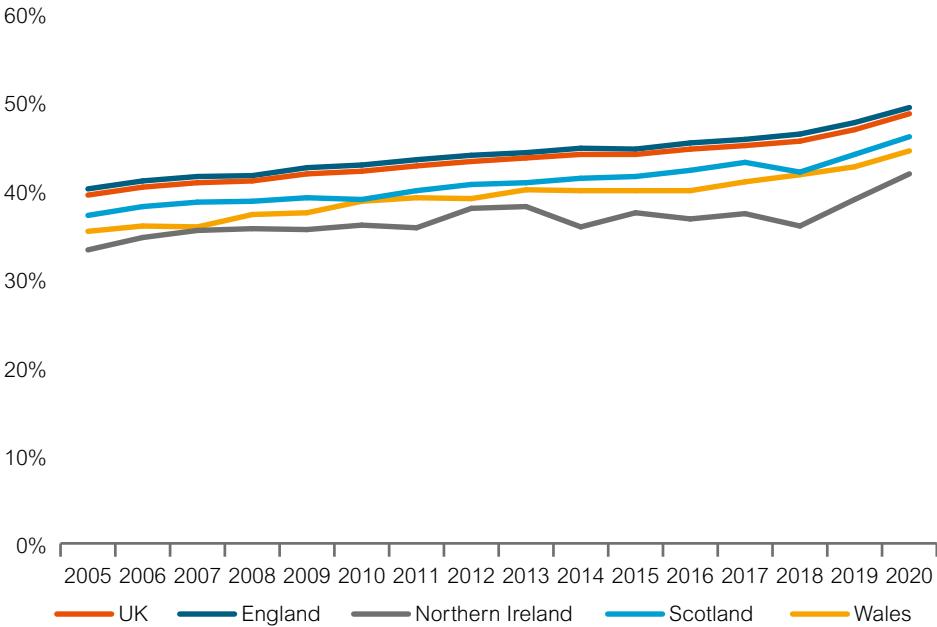
<sup>8</sup> Office for National Statistics, [SOC 2020 Volume 3: the National Statistics Socio-economic Classification \(NS-SEC rebased on the SOC 2020\)](#), 2020.

<sup>9</sup> We acknowledge the ambiguity around 'long-term unemployed' as a group that could include people of extreme wealth. However, we think it is important to code this group as lower socio-economic background to capture long-term scarring from stretches of unemployment, as a form of extreme (for more: Social Mobility Commission, [Simplifying how employers measure socio-economic background: An accompanying report to new guidance 2020](#)).

<sup>10</sup> This emigration of migrant workers is a real phenomenon, but the true extent is challenging to measure and, as a result, may be artificially accelerating the trends being seen in the labour market statistics here. This is due to the weighting of the survey which assumes the total population hasn't fallen in this period, even when there is likely to have been emigration. See analysis produced by the Economic Statistics Centre Of Excellence (ESCOE), [Estimating the UK population during the pandemic](#), 2021 and Office for National Statistics, [Coronavirus and the impact on payroll employment: experimental analysis](#), 2021.

# The United Kingdom

**Figure 1.1:** Percentage of people in professional jobs across the labour market, in each nation of the UK



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Data refers to those in employment

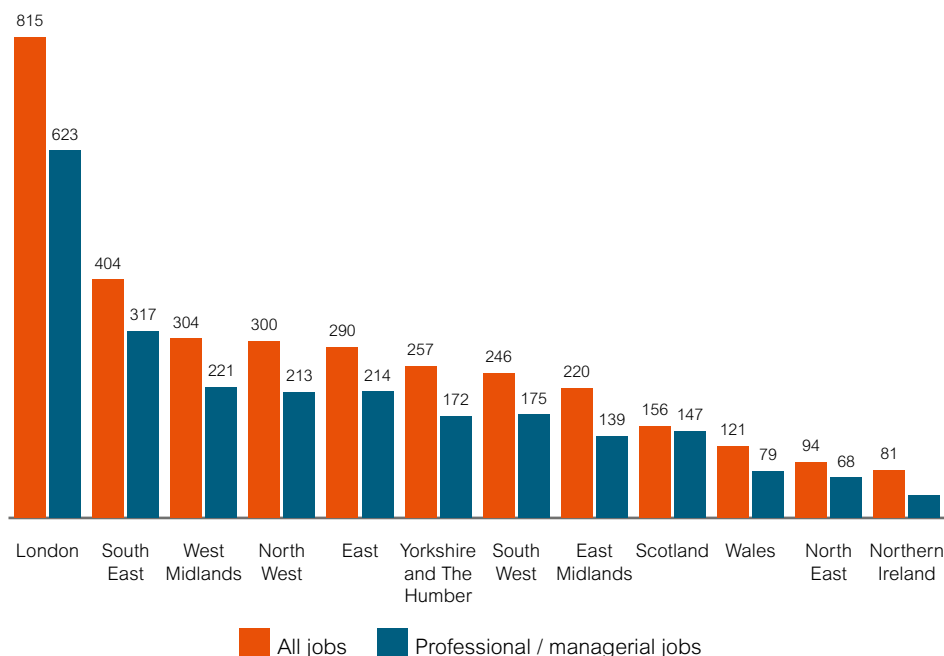


40% of new professional jobs were in London and the south-east.

Looking deeper, we can see that the growth in new jobs isn't distributed equally across geographic regions. Since 2012, 40% of new professional jobs were in London and the south-east (939,700 jobs), more than those created in Northern Ireland, Wales, Scotland, and the English regions of the north-east, the East Midlands, the south-west, and Yorkshire and the Humber combined (818,800 jobs; figure 1.2). But the key question here is – who gets these jobs?



**Figure 1.2:** Total number of new jobs and number of new professional jobs between 2012 and 2020 by region (thousands)



Source: SMC Analysis of Labour Force Survey (ONS)

## Who gets these jobs?

For years, we have shown that your background makes a big difference in the type of job you end up in. Here, we look at who gets into working class and professional occupations.

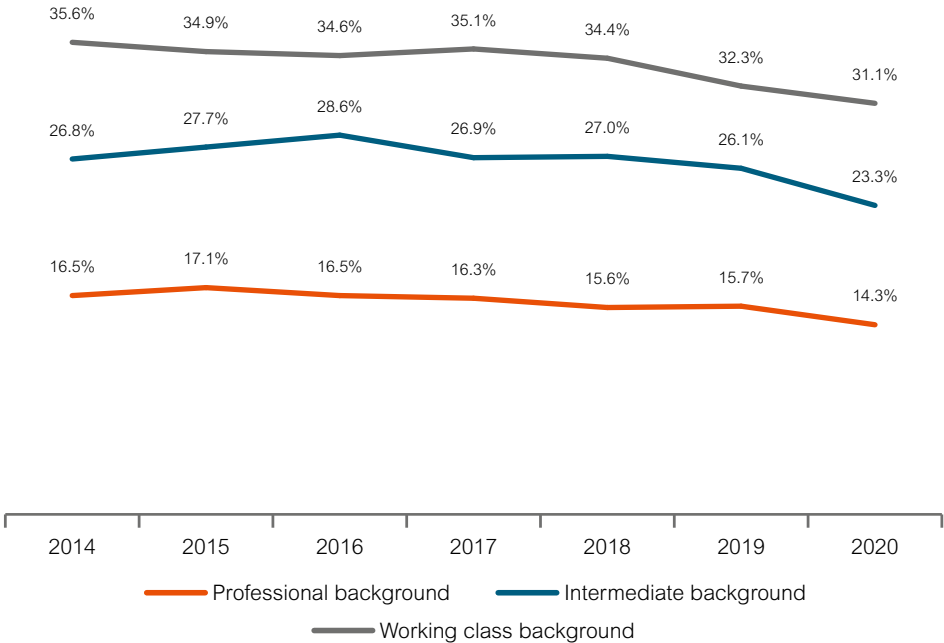
Unsurprisingly, we again find that you are more likely to be in a working class job if you came from a working class background, and vice versa.

As figure 1.3 shows, in 2020 31% of people from working class backgrounds are in working class jobs (vs. just 14% of those from professional backgrounds in similar jobs). In other words, those from poorer backgrounds are still twice as likely to end up in working class jobs than those from more privileged backgrounds.



Those from poorer backgrounds are still twice as likely to end up in working class jobs than those from more privileged backgrounds.

**Figure 1.3:** How likely are people from different backgrounds to be in a working class occupation in the United Kingdom?



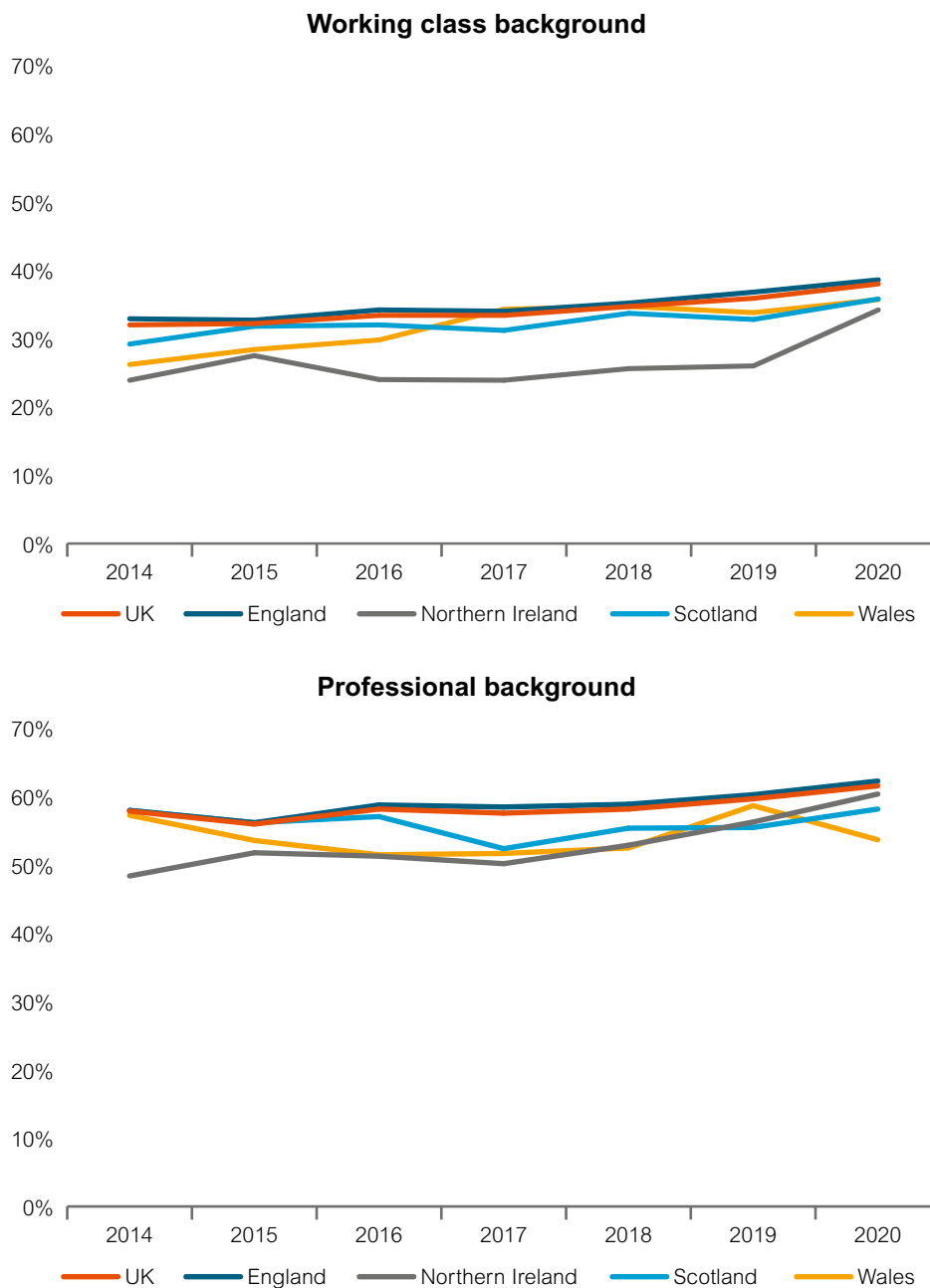
**Source:** SMC Analysis of Labour Force Survey (ONS)  
**Note:** Margin of error varies from 0.7% to 1.3% for individual statistics. See Appendix Table B1 for sample sizes and 95% confidence intervals

There has been some small progress. Between 2014 and 2020, people from working class backgrounds have become more likely to be in professional jobs – from 32% in 2014 to 38% in 2020 (see figure 1.4).<sup>11</sup> There have been especially significant increases in Northern Ireland and Wales, although both started from a low base. This upwards social mobility across the UK is probably driven by the growth of professional jobs in all nations. England has the highest percentage of people from working class backgrounds who get professional jobs and has also seen the highest growth of professional jobs in the UK.

So opportunities are much better than they have ever been. But they are still not equal. A person from a professional background is over 60% more likely to be in a professional job than someone from a working class background. In other words, those from privileged backgrounds are better able to hold on to their position, resulting in fewer opportunities for those at the bottom to move up. Only Wales has experienced a decline in people from professional jobs in professional roles, while Scotland has held its rate steady since 2014.

<sup>11</sup> These trends are likely more lasting than year-on-year changes, which should be treated with caution. In 2021, the Commission will release an updated measurement framework for assessing social mobility, which will take into consideration appropriate amounts of time for change to occur between measurement points to account for year-to-year fluxes in the data.

**Figure 1.4:** How likely are people from working class and professional backgrounds to be in a professional occupation across the United Kingdom?



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** UK: Margin of error varies from 0.8% to 1.5% for individual statistics. See Appendix Table B2 for sample sizes and 95% confidence intervals

## Who isn't working – unemployment

The story of COVID-19's economic upheaval has been about jobs. When lockdowns hit, whole sectors were thrown into chaos. COVID-19 disrupted the five-year gain in unemployment drops the country had previously been enjoying. Here, we look at who was affected, as of September 2020, as an early analysis of the pandemic's effect on different social groups' employment.

Surprisingly, those from professional backgrounds had the largest jump in unemployment, from about 4% to about 6% (see figure 1.5). While this seems counterintuitive, there are three main reasons this could be happening. First, those from professional backgrounds are younger on average and we know that unemployment has risen faster amongst young people (this will be covered later in more detail). Second, it could be driven by self-employed or owner-manager professionals needing to claim universal credit as unemployment support during the pandemic, as the Self-Employment Income Support Scheme did not protect the incomes of the self-employed nearly as effectively as the employed.<sup>12</sup> Finally, it is likely a reflection of how the Coronavirus Job Retention Scheme was targeted. Industries with high proportions of working class jobs took up the scheme at greater rates (such as hospitality, leisure and retail) and since people from working class backgrounds are more likely than other people to be in working class jobs, it is possible they were more protected from unemployment.<sup>13</sup> Without the Coronavirus Job Retention Scheme, we likely would have seen significantly higher rates of unemployment.<sup>14</sup>

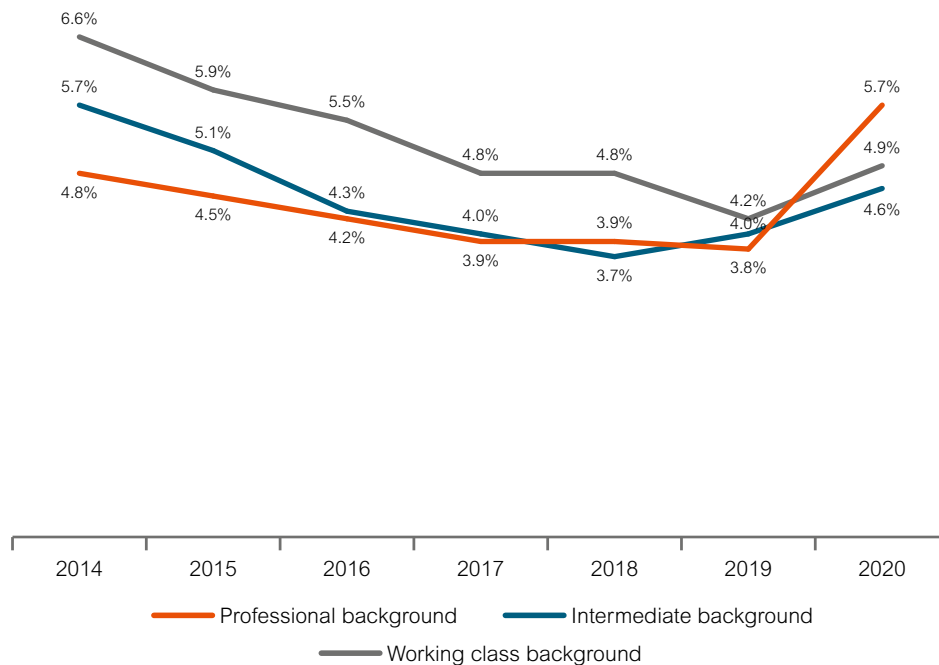
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<sup>12</sup> Institute for Fiscal Studies, [Support for the self-employed during the coronavirus pandemic](#), 2020.

<sup>13</sup> HM Revenue & Customs, [Coronavirus Job Retention Scheme Statistics](#), 2021.

<sup>14</sup> Office for National Statistics, [Labour market overview, UK: October 2020](#), Accessed June 2021.

**Figure 1.5: Unemployment rate by socio-economic background<sup>15</sup>**



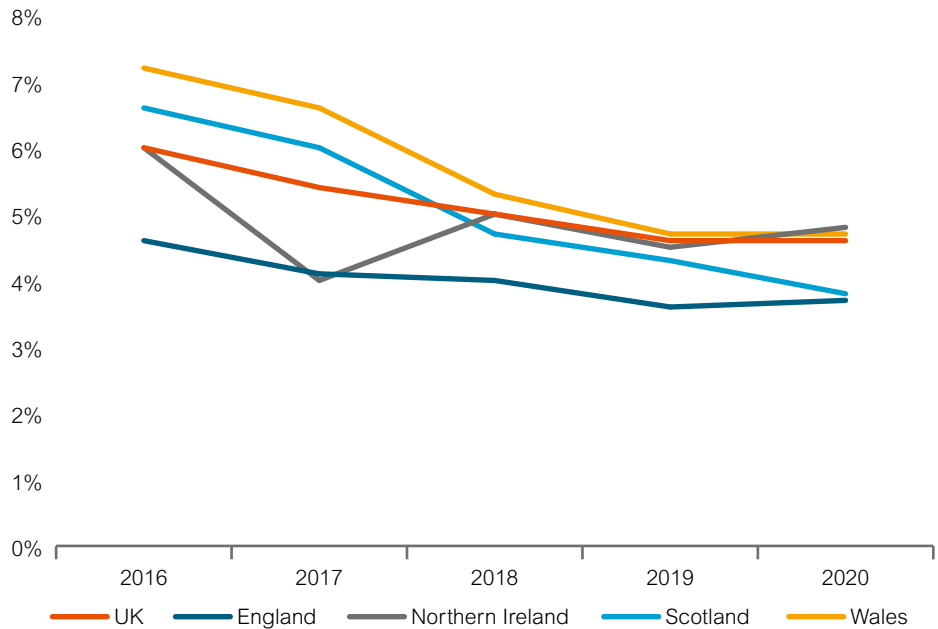
**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** People aged 16-64. Margin of error varies from 0.3% to 0.5% for individual statistics. See Appendix Table B3 for sample sizes and 95% confidence intervals

Until 2020, the data has shown that those from working class backgrounds have had higher rates of unemployment. Looking across the UK, Wales has almost always had the highest levels of unemployment for those from working class backgrounds and England the lowest. England, Northern Ireland, Scotland and Wales have all seen an overall decline in unemployment levels until shortly before COVID-19, where they were levelling off. And all but Scotland have seen a small rise in unemployment for working class people since COVID-19. Scotland appears to be bucking the trend with a continued decline of unemployment for those from working class backgrounds (see figure 1.6).

<sup>15</sup> This chart does not show those who were on furlough.

**Figure 1.6:** Unemployment of those from working class backgrounds in England, Northern Ireland, Scotland and Wales (three-year moving averages)



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** People age 16-64. UK: Margin of error varies from 0.3% to 0.5% for individual statistics. England: Margin of error varies from 0.2% to 0.3% for individual statistics. Northern Ireland: Margin of error varies from 0.6% to 1.1% for individual statistics, so changes across individual years should be treated with caution. Scotland: Margin of error varies from 0.6% to 0.9% for individual statistics, so changes across individual years should be treated with caution. Wales: Margin of error varies from 0.8% to 1.2% for individual statistics, so changes across individual years should be treated with caution. See Appendix Table B3 for sample sizes and 95% confidence intervals

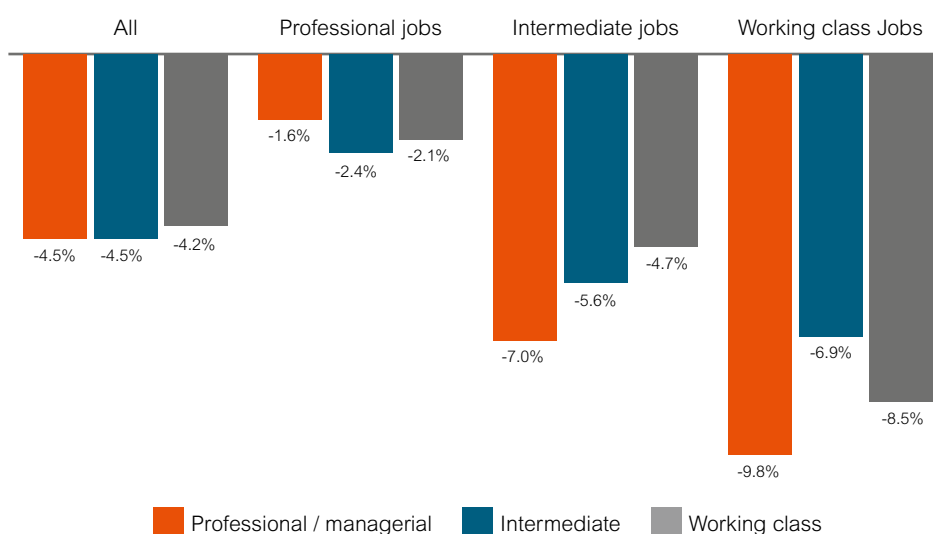
Scarring effects associated with unemployment, particularly when experienced by young people or those with fewer qualifications, are likely to lead to longer-term negative impacts on people’s employment prospects (lower pay and higher risks of unemployment).<sup>16, 17, 18</sup> Although being on furlough is likely to have less severe scarring effects than unemployment, workers on furlough have lost out on work experience, seen their skills deteriorate and missed out on opportunities for promotion. The fact is that the labour market shock associated with the pandemic will impact people for a long time. There is an increased risk that for the unemployed and for workers on furlough they will experience poorer labour market outcomes in the future.

Unemployment hasn’t been the only issue. Many throughout the pandemic have lost hours or work altogether. Figure 1.7 broadly shows that the type of job you are in has been the biggest predictor of your change in paid work. While the Coronavirus Job Retention Scheme has helped, those on furlough and not working will lose at least 20% of their earned income unless their employer tops up with discretionary payments.

<sup>16</sup> Ellwood, D., Teenage unemployment: permanent scars or temporary blemishes? In the youth labor market problem: Its nature, causes and consequences, 1982.  
<sup>17</sup> Bell, D. N. F., and Blanchflower, D. G., Young people and the Great Recession, 2011.  
<sup>18</sup> Joseph Rowntree Foundation, [Low paid workers who lose their jobs likely to face intense competition for new roles](#), 2021.

Unsurprisingly, there has been a decline across all socio-economic backgrounds in paid work between September 2019 and September 2020 with working class jobs having been hardest hit, (declines of about 7%-10%).<sup>19</sup> As we've shown below, the occupation you are in is influenced strongly by one's socio-economic background. In other words, those from lower socio-economic backgrounds, who are more likely to work in working class jobs, have seen some of the most significant declines in paid work in the pandemic.

**Figure 1.7:** Change in the share of individuals in paid work between September 2019 and September 2020 by own occupation and socio-economic background



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Margin of error for changes over time varies from 1.6% to 3.6% for individual statistics and groups. See Appendix Table B4 for sample sizes and confidence intervals. Note: Those defined as in paid work are those who worked at least one hour in the week before the respondent was interviewed. People who are employed but on furlough, and who did not work at least one hour, may not appear in these figures

<sup>19</sup> While it appears at first glance that those from professional backgrounds in working class jobs have been hit hardest, the sample size for this group is small and so there is no statistically significant difference in the size of this drop compared with that seen for those from other backgrounds.



### Who got to work from home?

Overnight, professional work shifted. Zoom meetings, background displays and delivery service dominated popular culture – but this was a profoundly privileged experience. Here are the experiences people had for each type of job.

Overwhelmingly, **professional jobs** (such as accountants, engineers, even teachers) pivoted to remote working, providing stability for employees and even some new opportunities. Professionals had homeworking rates more than 40 percentage points higher than any working class occupation.<sup>20</sup> This also holds when we look at homeworking by income; 55% of workers in households with annual income greater than £20,000 worked from home vs 19% below £20,000.<sup>21</sup> As we have shown in this chapter, those from privileged backgrounds are more likely to be in professional jobs and have been able to benefit from continued employment, physical shielding from the virus, and, because they were less likely to be on furlough, they benefitted from greater stability. A notable exception to this is the creative industries, which are over-represented by those from professional backgrounds and faced significant periods on furlough.<sup>22, 23</sup>

Many **intermediate jobs** do not lend themselves to home working (e.g. shop owners, taxi owners, call centre agents). In April 2020, 15% of caring, leisure and service occupations did some work at home, compared to over two thirds (70%) of professional occupations.<sup>24, 25</sup> Small business owners and contractors likely utilised both Coronavirus Job Retention Scheme and unemployment schemes. Additionally, these jobs were more likely to have self-employed individuals. While the Self-employment Income Support Scheme (SEISS) was made available, many were still left without support.

But those in **working class** jobs faced the biggest variation, which exposed them to greater risks, instability and strain. Some industries were more likely to be put on furlough and were less stable (e.g. waiter/waitresses, bar staff, catering assistants) while others saw increased and unprecedented demand, supporting those working from home (e.g. grocery store workers, postal workers, HGV and van drivers). Generally, working class jobs were the least likely to be done from home, meaning the daily health risks they had to take to put food on the table were extremely different.

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<sup>20</sup> Office for National Statistics, [Coronavirus and homeworking in the UK: April 2020](#), 2020. Data is in reference to April 2020, which coincides with potentially the height of people working from home. These are the latest figures currently available.

<sup>21</sup> Ibid.

<sup>22</sup> Creative Industries Policy and Evidence Centre, [Getting in and Getting on: Class, participation and job quality in the UK Creative Industries](#), 2020.

<sup>23</sup> Office for National Statistics, [Business Insights and impact on the UK economy: 22 April 2021](#), 2021.

<sup>24</sup> Office for National Statistics, [Coronavirus and homeworking in the UK: April 2020](#), 2020.

<sup>25</sup> Resolution foundation, [Results by Free School Meal entitlement and gender](#), 2020.



**Key workers** have been an essential group in this crisis who cut across all socio-economic backgrounds (doctors, nurses, grocery workers, and more). They have predominantly not been able to work from home and have carried the burden of this crisis, while also being exposed to the most health risks.

### The role of digital exclusion

Working from home requires people to have devices, internet access and the skills to effectively engage with online working environments. By February 2020, 96% of households had internet access<sup>26</sup>. However, having an internet connection is not the same thing as having enough internet access. Many low-income households cannot afford the data allowance they need due to high costs or poor local infrastructure.<sup>27</sup> 22% of the population do not have basic digital skills to use the internet effectively.<sup>28</sup> People in lower income groups, without a job, with fewer educational qualifications and with disabilities are more likely not to have internet access and/or the skills which are required for the workplace. It is estimated that when the COVID-19 pandemic hit in March 2020, only 51% of households earning between £6,000-£10,000 had home internet access, compared with 99% of households with an income of over £40,000.<sup>29</sup>

## The class pay gap: it pays to be privileged

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Jobs are only one side of the equation – the other is pay. Once in a job, those from lower socio-economic backgrounds tend to progress upwards at slower rates than their more privileged peers, even when controlling for performance, resulting in class pay gaps.<sup>30, 31, 32</sup>

Across the whole workforce, people from a privileged background earn, on average, 30% more than those from a working class background. Part of this can be explained by the type of occupation they end up in – they are much more likely to end up in a professional job. But even after we take this into account, there is still a class pay gap within every occupational group (figure 1.8).

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<sup>26</sup> Office for National statistics, [Internet access – households and individuals, Great Britain: 2020](#), 2020.

<sup>27</sup> National Endowment for Science, Technology and the Arts, [Data poverty in Scotland and Wales](#), 2021.

<sup>28</sup> Lloyds Banking Group, [Lloyds Bank UK Consumer Digital Index](#), 2020.

<sup>29</sup> Cambridge Centre for Housing & Planning Research, [The Digital Divide: What does the research tell us?](#), Accessed June 2021.


<sup>30</sup> For example, see Social Mobility Commission, [Learning ladders: Adult training and progression out of low pay](#), 2020.

<sup>31</sup> Bridge Group, [Who gets ahead and how?](#), 2020.

<sup>32</sup> Friedman S. and Laurison D., [The Class Ceiling: Why it Pays to be Privileged](#), 2020.

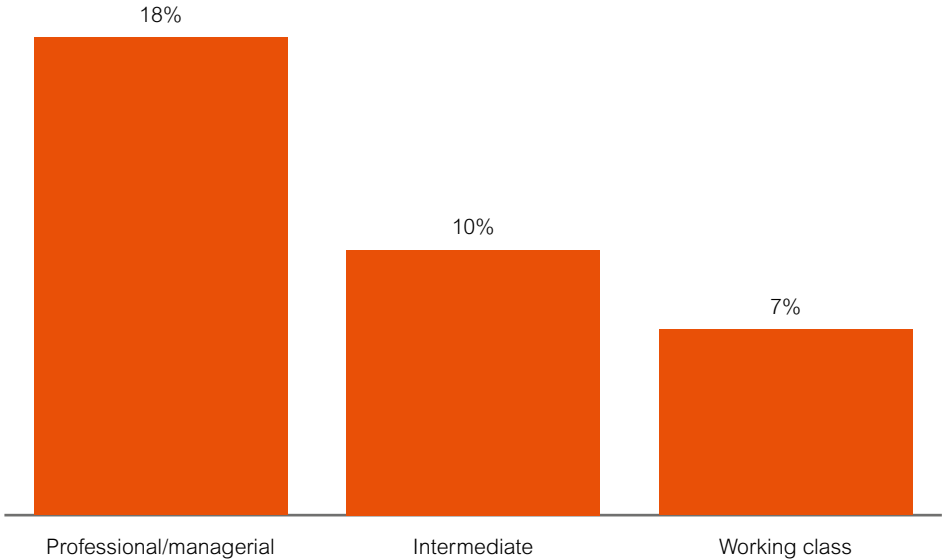
# The United Kingdom

In 2019, even when people from working class backgrounds successfully entered professional occupations, their more privileged counterparts in those professional jobs still earned 18% (£6,000) more.<sup>33</sup> In other words, it quite literally pays to be privileged.



The pay gap in professional jobs: people from working class backgrounds earn £6,000 less on average than those from professional backgrounds.

**Figure 1.8:** Class pay gap within each occupational group in 2019



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** These figures are based on 2019 earnings due to 2020 earnings being affected by pay on furlough. The difference for those from professional backgrounds is statistically significant at the 5% level. The differences for those from intermediate and working class backgrounds are not statistically significant. Further details, 95% confidence intervals and unweighted sample sizes can be found in Appendix Table B5

This gap shows a significant progression gap across the labour market, which is critical for employers to solve. Access isn't enough – all employers must do their part. Their focus should be on not only who gets in but also who gets on.

<sup>33</sup> For this section, we use 2019 data because 2020 data was impacted heavily by the UK Coronavirus Job Retention Scheme.

### Employers: from getting in to getting on

Our work consistently finds that in all types of jobs, those from lower socio-economic backgrounds progress at a slower rate than their more privileged peers. This is true even when we control for job performance, gender and a range of other factors. This is important not only to help create fair systems in 'top' jobs, but also to help those stuck in low paid jobs to progress their career.

Government has the power to set up effective regulatory frameworks which establish workplace standards if it so chooses. That said, we do not think this is the work of government alone. That's why we work with hundreds of employers in England to help improve socio-economic diversity and inclusion in the workplace. In 2020, we published best practice advice and case studies for employers who want to progress their low-skilled, low paid workforces (such as in retail, manufacturing and food services).<sup>34</sup> We then went on to look at progression in professional settings, including the Civil Service.<sup>35</sup>

Here are the main lessons for employers:

- There are no silver bullets; this work takes a multi-pronged approach.
- **Build a culture of progression** – employers who do best for progression have strong, visible commitment from senior leadership and view their workforce as a valuable asset. They ensure managers at all levels are offering training and holding regular career conversations.
- **Reduce informal ways to be promoted** – sponsorships, high-profile roles and informal networks can give those from privileged backgrounds an unintended leg up.
- **Have a defined list of skills required for each promotion** – those from lower socio-economic backgrounds tend to be overlooked in jobs that require subjective measures of skills and tend to apply to jobs they perceive to be based as meritocratic.
- **Focus on inclusion and start a conversation about class** – many job environments, particularly professional settings, favour those from privileged backgrounds and can inadvertently exclude others (our work in the Civil Service showed especially negative effects on women from low socio-economic backgrounds and Black employees).
- **Ensure there are intermediate steppingstones of progression built into your structure** – instead of a huge jump from shop floor to manager of 50+ people, why not introduced shift safety leaders or specific specialisms that come with smaller levels of responsibility (and a commensurate pay bump).

For more, visit [www.socialmobilityworks.org](http://www.socialmobilityworks.org).

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<sup>34</sup> Social Mobility Commission, [Increasing in-work training and progression for frontline workers](#), 2020.

<sup>35</sup> Social Mobility Commission, [Navigating the labyrinth: Socio-economic background and career progression within the Civil Service](#), 2021.

## Cumulative barriers: how characteristics intersect

People do not experience their characteristics as separate and, with that in mind, we strive to show (where data allows) the interplay between gender, ethnicity and disability. No characteristic can solve for another – these are complex experiences that policymakers must consider in the round. Since we last reported on social mobility by gender and disability in 2018-19, there have been no significant changes.<sup>36</sup> In this section, we look at early impacts the pandemic has had on these intersections.

### Gender and age

The pandemic has caused a similar reduction in paid work for both men and women (4%-5%, a statistically insignificant difference, see figure 1.9).

However, when we dive deeper, we see age, gender and background come together to create big effects. Young people aged 16-24 have generally seen the biggest decreases in paid employment, with young men being the most affected (about 3%-12% for men vs. 4%-7% for women, depending on socio-economic background). Similar patterns exist across the overall workforce, showing that those from more privileged backgrounds have suffered the greatest loss in paid work for those aged 16-34. For young people, this is partly due to higher rates of privileged people spending more time in education, whereas for the 25-34 age bracket, they were more likely to be on furlough.<sup>37</sup> We will discuss the impact on young people more in the next section.

Amongst older individuals, there is a more complex picture, with men and women from working class and intermediate backgrounds generally seeing the biggest reductions in paid employment.

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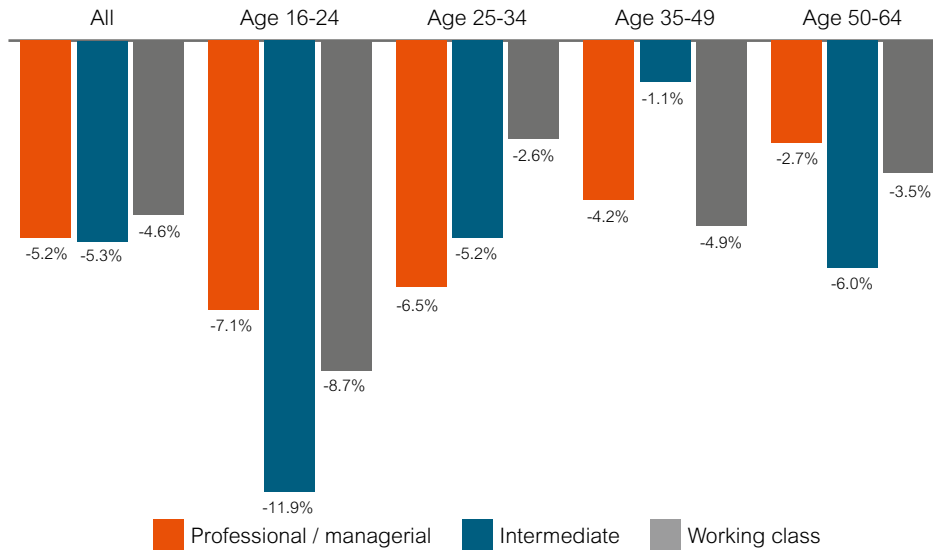
<sup>36</sup> Social Mobility Commission, [State of the nation 2018-19](#), 2019.

<sup>37</sup> HM Revenue & Customs, [Coronavirus Job Retention Scheme statistics: November 2020](#), 2020.

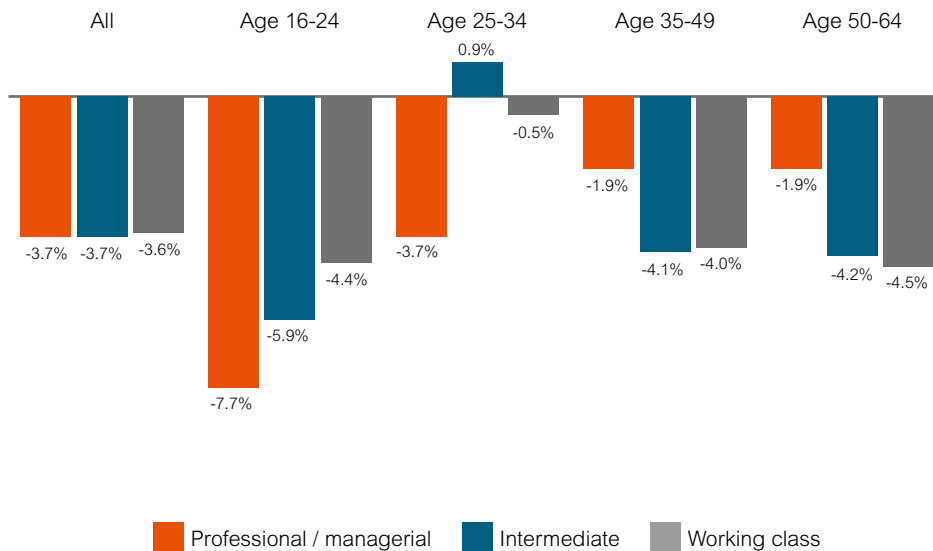
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**Figure 1.9:** Percentage change in the share of individuals in paid work between September 2019 and September 2020 by age group and socio-economic background

## Men



## Women



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Those defined as in paid work are those who worked at least one hour in the week before the respondent was interviewed. The change in paid work for men from intermediate backgrounds is not statistically significant, due to small sample sizes. Margin of error for changes over time varies from 2.5% to 7.5% for individual statistics and groups. See Appendix Table B7 for sample sizes and confidence intervals

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Experiences of the pandemic have not been felt equally. Women from lower socio-economic backgrounds were already several steps behind on upwards mobility. In 2020, just 36% of women from lower socio-economic backgrounds were in professional jobs, (compared to 40% of men from low SEB, 58% of women from high SEB and 65% of men from high SEB).

The burden of being on furlough and redundancy has fallen differently across the genders. While redundancy has been higher for men, women were more likely to have been put on furlough, mainly because women from lower socio-economic backgrounds make up large swaths of the low-paid workforce, who were particularly vulnerable to being on furlough.<sup>38, 39, 40</sup> The experience of being on furlough has been unequal as well, as those in insecure work have received less additional support from their employers.



Women on furlough were 10 percentage points less likely than men to get a top-up from their employers.

Women are more likely to be in insecure work, which has meant that women on furlough are 10 percentage points less likely than men to receive a discretionary top-up from their employers.<sup>41</sup>

Additionally, the experience of the pandemic has been different for women depending on socio-economic status: low-income families with kids were almost 10 percentage points more likely to lose paid working hours than those with high incomes.<sup>42</sup>



46% of mothers who have been made redundant during the pandemic cite lack of adequate childcare provision as the cause.

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<sup>38</sup> Office for National Statistics, LFS: ILO redundancy level (thousands): UK: Men: SA, 2021.

<sup>39</sup> Social Mobility Commission, [Learning ladders: Adult training and progression out of low pay](#), 2020.

<sup>40</sup> UK Parliament, [COVID-19: Empowering women in the recovery from the impact of the pandemic](#), 2021.

<sup>41</sup> House of Commons: Women and Equalities Committee, [Unequal impact? Coronavirus and the gendered economic impact](#), 2021.

<sup>42</sup> Women's Budget Group, [Women and employment during COVID-19](#), 2021.



Additionally, at the beginning of the pandemic, when nurseries and schools were closed, women with children faced the overwhelming burden of being employee, mum, teacher and sometimes cleaner, cook and partner. In September and October 2020, women spent 99% more time on unpaid childcare than men, and 64% spent more time on unpaid household work.<sup>43</sup> This regression of gender norms has had real impacts on women, who reported significantly higher rates of anxiety, depression and loneliness than men.<sup>44</sup> For mums who could not work from home, the pandemic has created additional and profound challenges. Poor families are also less likely to have access to the internet at home, further compounding some of the difficulties for mothers trying to teach their kids from home.<sup>45</sup> This has been pivotal for some, as 46% of mothers who have been made redundant during the pandemic cite lack of adequate childcare provision as the cause.<sup>46</sup> This will be damaging to working class women's social mobility and it may also have an impact on the gender wage gap and career progression in the future.

It is clear that working class women were already starting behind compared to all other groups, and the pandemic has hit this group hard. As recovery continues, it will be crucial to see how women reconnect to the labour market and restore their mental health.

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<sup>43</sup> Office for National Statistics, COVID-19 and the different effects on men and women in the UK, March 2020 to February 2021, 2021.

<sup>44</sup> Ibid.

<sup>45</sup> Cambridge Centre for Housing and Planning Research, "Pay for the Wi-fi or feed the children": Coronavirus has intensified the UK's digital divide, 2021.

<sup>46</sup> Women's Budget Group, [Women and employment during COVID-19](#), 2021.

## Ethnicity



Ethnic minority individuals from privileged backgrounds are more likely to experience downward social mobility than their White counterparts.

In general, ethnic minorities are less likely to be upwardly mobile, regardless of their background. Our 2020 work on downward social mobility clearly showed that overall, ethnic minority individuals from privileged backgrounds are more likely to experience downward social mobility than their White counterparts.<sup>47</sup> They are less likely to end up in professional roles (55% vs. 61% for White individuals from professional backgrounds) and they are more likely to be in working class jobs (19% vs. 15%).

But grouping all ethnicities into one set hides massive variation, which inhibits policymakers' ability to identify specific problems and solutions. To dive deeper, our analysis here pools data for 2014-2020 to give us sufficient sample sizes.

Those from Chinese and Indian backgrounds outperform other ethnic groups both on their upward mobility and on maintaining privileged positions in society. Amongst all people from working class backgrounds, those from Chinese and Indian backgrounds are the most likely to be upwardly mobile, outperforming White working class people by 14 and 10 percentage points respectively (see figure 1.10). Concurrently, Chinese and Indian individuals who come from professional backgrounds have a 61-65% chance of being in professional occupations themselves.

Just 24-25% of working class people from Bangladeshi and Pakistani backgrounds make it into professional jobs vs. 48% of working class Chinese people.



The worst outcomes are for those from Bangladeshi and Pakistani backgrounds, who have shockingly low rates of upwards mobility. Just 24%-25% of working class individuals from these groups make it into professional occupations, compared to 48% of working class Chinese individuals.

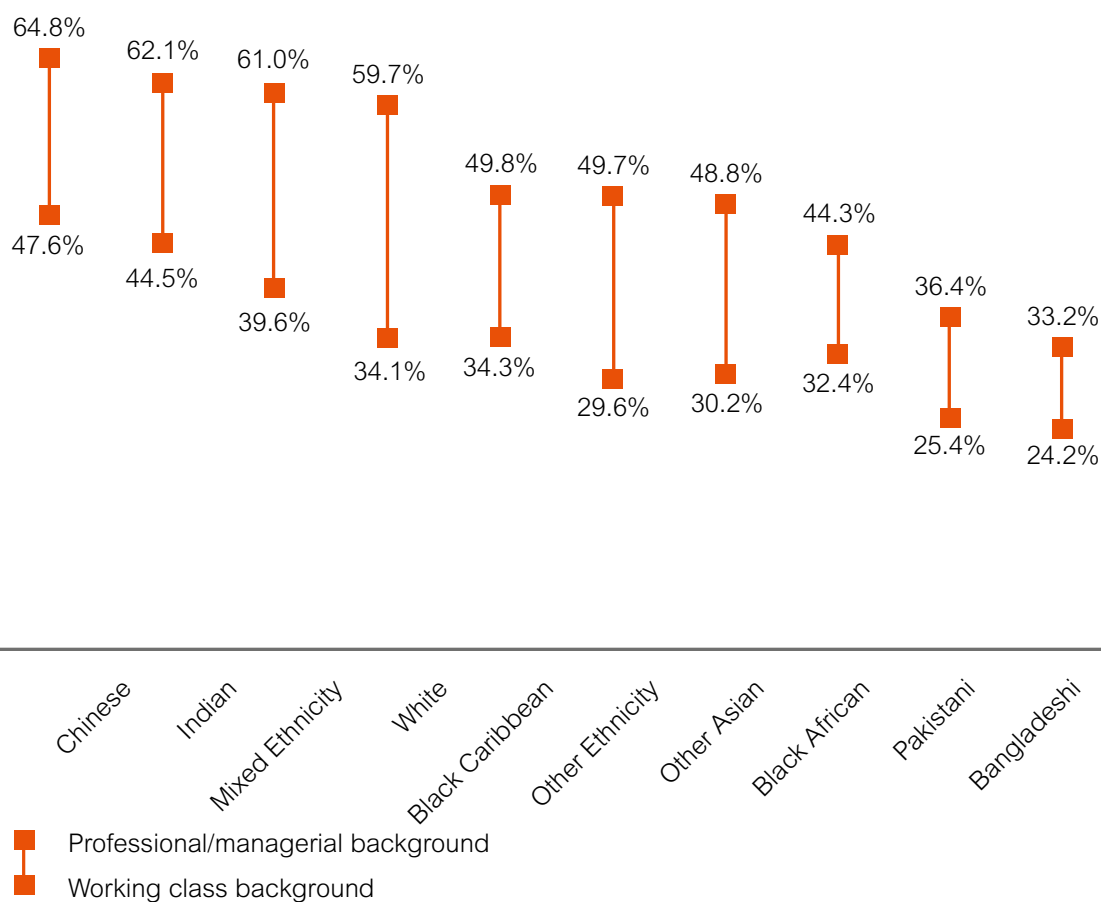
<sup>47</sup> Social Mobility Commission, *Changing gears: Understanding downward social mobility*, 2020.



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These groups also have the worst rates of holding onto privilege. Just 33% of Bangladeshi and 36% of Pakistani individuals from privileged backgrounds themselves end up in professional jobs. The most concentrated pockets of deprivation in the country are found among Pakistani, Bangladeshi and Black groups.<sup>48</sup> People from the Pakistani and Bangladeshi ethnic group are over three times more likely as White UK people to live in the most overall deprived 10% of neighbourhoods, which may partially explain these poor rates of upwards social mobility.<sup>49</sup> These patterns match similar analysis carried out on data from the past 50 years.<sup>50</sup>

**Figure 1.10** : Percentage of people from professional and working class backgrounds in professional occupations, by ethnicity (2014-2020)



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Margin of error varies from 0.4% to 6.2% for individual statistics and groups. The largest margins of error are seen for the Chinese, Black Caribbean and Bangladeshi groups. See Appendix Table B9 for sample sizes and 95% confidence intervals

<sup>48</sup> Office for National Statistics, *Ethnicity Facts and Figures*, 2020.

<sup>49</sup> Ibid.

<sup>50</sup> Commission on Race and Ethnic Disparities, *The social mobility of ethnic minorities in Britain in the last 50 years (1972-2019)*, 2021.



### What drives social mobility?

To help inform policy and understand social mobility, it is important to look at what drives it in the UK. Soon, we will release a refreshed and improved edition of our 2016-17 social mobility index. This index will chart the outcomes that will impact and drive social mobility over the next 30 years. As part of that work, we have identified the key drivers of social mobility from the evidence base:

- **Conditions of childhood** – such as poverty, overcrowding and inequality. Lower rates of these contribute to a socially mobile society, while higher rates can limit it.
- **Education access** – quality and equity, such as the ability to get to good quality schooling and post-school education, exclusion rates and equality of learning when you're at school.
- **Lifelong learning** – such as changes to re-train or seek further education.
- **Work opportunities and transition to work** – which is particularly important for young people entering the labour market.
- **Fair wages and working conditions** – including how many people are stuck in low paid, insecure and 'dead end' jobs.

We are still considering other drivers, such as access to housing, success of new enterprise and wider economic drivers of absolute mobility, and will publish the complete index later this year, along with the evidence base that sits behind it. We will use this refreshed index to improve our statutory monitoring function.

## Who has been most affected by COVID-19?

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There is one thing we can say confidently about the COVID-19 pandemic; it has not affected everyone equally. This section looks at those hardest hit by COVID-19 and the implications that it has on future social mobility prospects.

### Young people

Young people are often the most impacted from recessions, and COVID-19 has held true to that trend. Young people were twice as likely to be working in sectors that were shut down than the rest of the workforce.<sup>51</sup>



Youth unemployment increased faster between Spring and Autumn 2020 than at any point since the financial crisis.

Across the entire workforce we showed above (figure 1.7) that there has been a reduction in paid work of between 4%-4.5% with roughly equal distribution across those from all backgrounds. But for young people aged 16-24 that jumps to 6.6%-9% decline in paid employment (see figure 1.11). For those who were employed in 2020, a large share was likely to have been put on furlough.<sup>52</sup> Youth unemployment increased faster between spring and autumn 2020 than at any point since the financial crisis, and young workers make up a disproportionate share of the fall in employment over the last year.<sup>53</sup> There is also evidence that ethnic disparities in unemployment risks widened.<sup>54</sup>

Young men of all backgrounds have been particularly affected, as have young women from professional backgrounds (see figure 1.9).

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<sup>51</sup> Resolution Foundation, [Risky business Economic impacts of the coronavirus crisis on different groups of workers](#), 2020.

<sup>52</sup> Unfortunately, the Labour Force Survey does not ask if someone was put on furlough and so we cannot accurately see the effect, but the trends in figure 1.11 are in line with official statistics, showing a higher share of younger workers on the Coronavirus Job Retention Scheme than for older workers.

<sup>53</sup> Resolution Foundation: [Uneven steps: Changes in youth unemployment and studies since the onset of COVID-19](#), 2021.

<sup>54</sup> Ibid.

**Figure 1.11:** Percentage point change in the share of 16 to 24 year olds in different forms of economic activity between September 2019 and September 2020 by socio-economic background



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Margin of error for changes over time varies from 1.7% to 5.2% for individual statistics and groups. See Appendix Table B10 for sample sizes and confidence intervals. Those defined as in paid work are those who worked at least one hour in the week before the respondent was interviewed. The change for those from intermediate backgrounds is not statistically significant, due to small sample sizes

There are several worrying impacts of these trends:

- Young people on furlough are potentially vulnerable if the employers they work for continue to struggle over the next year.
- Young people are likely to be missing out on valuable work experience. This holds both for those who are on furlough as well as for those in education who are seeking experience as part of a course. Around 60% of graduate employers have had to cancel some or all of their work experience and internship placements due to COVID-19.<sup>55</sup> This creates questions about who is getting the work experience that is available. If ‘sharp-elbowed’ young people from privileged backgrounds are securing limited work experience opportunities, it could lead to fewer opportunities for poorer young people to get a foot on the ladder.
- Those from privileged backgrounds have disproportionately taken up or stayed in education, and we will discuss the impacts of this more in the next section.

<sup>55</sup> Sutton Trust, COVID-19 and social mobility impact brief #5: Graduate recruitment and access to the workplace, 2020.



### How do recessions impact social mobility?

Experience from previous recessions can be indicative of what to expect coming out of the pandemic. In all the previous recessions covered by recent analysis, those with the lowest level of qualifications (who are more likely to be from lower socio-economic backgrounds) and ethnic minorities were disproportionately affected by the economic downturns.<sup>56, 57</sup>

Graduates who left education after the 2008 financial crisis had employment scarring effects reduce after one year and end after four. But non-graduates had scarring persist far longer.<sup>58</sup>

These findings emphasise the importance of sustained investment towards recovery for the most disadvantaged in society.

### Children in poverty

Exposure to child poverty is extremely damaging to life outcomes.<sup>59</sup> It can lead to worse health, worse educational outcomes, and reduced development.<sup>60, 61, 62, 63, 64</sup> The poorest children often start school behind and then see the gaps between them and all other children widen throughout the education system.<sup>65</sup> This then translates into the labour market, resulting in poorer pay and instability. In other words, child poverty plays a significant role in limiting social mobility. Reducing it would be one of the most influential and cost effective policy actions government could take to improve social mobility across society.<sup>66, 67</sup>

Staggeringly, around 4.3 million children, almost one third, were living in poverty as of March 2020, right at the beginning of the pandemic.<sup>68</sup> Since 2011-12, child poverty has risen by 3.7 percentage points, the most sustained rise since the 1990s, and well above 1960s era levels which hovered around 10% (figure 1.12).<sup>69</sup> Over the last decade,

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<sup>56</sup> Centre for Economic Performance, [What can previous recessions tell us about the COVID-19 downturn?](#), 2020.

<sup>57</sup> Department for Education, [Level 2 and 3 attainment by young people aged 19](#), 2021.

<sup>58</sup> Resolution Foundation, [Class of 2020 – Education leavers in the current crisis](#), 2020.

<sup>59</sup> Cooper, K., and Stewart, K., [Does household income affect children's outcomes? A systematic review of the evidence](#), 2020.

<sup>60</sup> Duncan, G.J. et al., [Economic deprivation and early childhood development](#), 1994.

<sup>61</sup> Bradshaw J., [Poverty: The outcomes for children](#), 2000.

<sup>62</sup> Bradshaw J., [Child poverty and child outcomes](#), Children and Society, 2002.

<sup>63</sup> Griggs J. and Walker, R., [The costs of child poverty for individuals and society, A literature review](#), 2008.

<sup>64</sup> The organisation for Economic Co-operation and Development, [A broken social elevator? how to promote social mobility](#), 2018.

<sup>65</sup> Masten, A., and Cicchetti, D., [Developmental cascades](#). Development and Psychopathology, 2010.

<sup>66</sup> The London School of Economics and Political Science, [Understanding the relationship between poverty and inequality: overview report](#), 2019.

<sup>67</sup> The EIF estimates £17 billion per year could be saved in England and Wales if early intervention was utilised Early Intervention Foundation, [Why is it good for society and the economy?](#), Accessed June 2021.

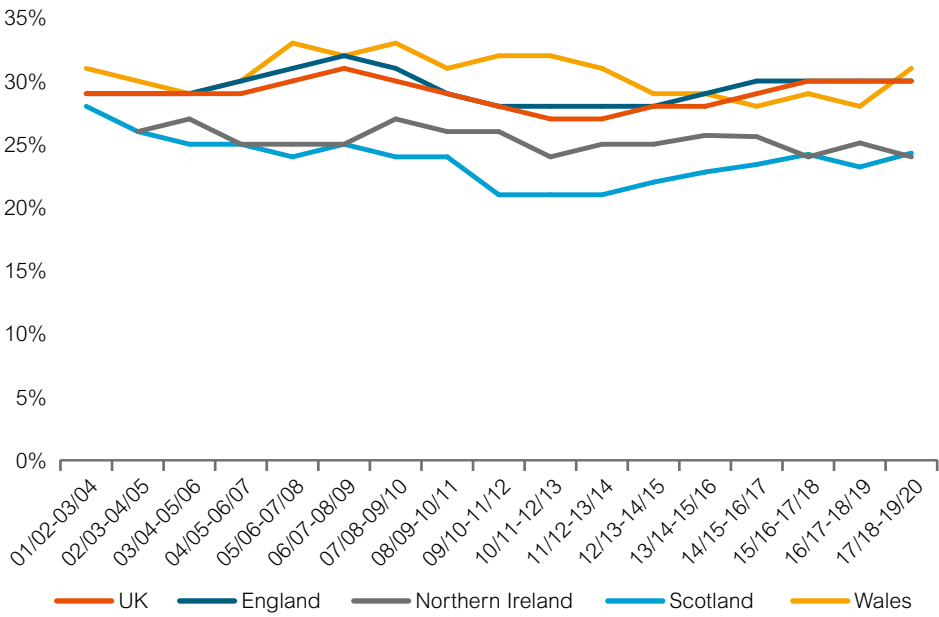
<sup>68</sup> Institute for Fiscal Studies, [Living standards, poverty and inequality in the UK](#), 2020.

<sup>69</sup> Ibid.

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these increases have been largely driven by cuts to the welfare system, where working-age benefits were frozen and slow pay growth has left families – many of whom are employed – worse off.<sup>70</sup> The two-child limit on social security benefits leaves children in larger families particularly vulnerable: the Children’s Commissioners for Northern Ireland, Scotland and Wales have argued this is a breach of children’s rights to an adequate standard of living.<sup>71</sup>

**Figure 1.12:** Percentage of children in relative poverty (after housing costs, three year averages)



**Source:** Department for Work and Pensions, [Households below average income](#), 2021

**Note:** This is based on a poverty line defined as 60% of the contemporary median after deducting housing costs

Despite how dire this situation is, government continues to argue over the definition of poverty. Additionally, it has avoided setting a meaningful strategy to address these damaging rates.

<sup>70</sup> Ibid.  
<sup>71</sup> Sally H. et al., [Letter to Therese Coffey MP](#), 2021.



### How should we measure poverty?

There are two ways to measure poverty – absolute and relative.

- Absolute poverty is 60% of the average (median) net household income in 2010-11. This threshold stays the same over time – it does not adjust for changes.
- Relative poverty is 60% of the average (median) net household income in the same year in question. In other words, the poverty line changes each year based on the latest income distribution in the country.

Most experts, including us, prefer the relative poverty measure, because it shows the number of households significantly below today's normal living standards. In contrast, the UK's absolute poverty measure becomes increasingly out of date over time.

Within relative poverty, there are two ways to look at it: before and after housing costs. We look at poverty after housing costs to see how much households have in disposable income. Ignoring the cost of housing means you only have half of the picture of financial pressures on struggling households. Since housing costs have spiralled over the past 25 years (increasing by almost half in real terms for private tenants), and because housing costs differ dramatically across the country, it makes a real difference on families' purses.<sup>72</sup> This figure for disposable income is then adjusted for the number of people who live in the house and how old they are ('equivalised') and then compared to the median equivalised household income.

In summary, relative poverty after housing costs gives a better assessment of how families are faring to meet their basic needs.

We don't yet know how the pandemic has impacted child poverty, but those who were most at risk of working in 'shut-down' sectors were also the most likely to already be living in poverty, such as hairdressers and cleaners. These groups already had high rates of in-work poverty, are over-represented by women, and were unlikely to be able to work from home during COVID-19.<sup>73</sup>

There are signs of the strain COVID-19 has put on an already fragile situation. Between March-September 2020, about 1.7 million children faced low food security.<sup>74</sup> The £20 weekly uplift to Universal Credit (covered more in the next section) is a big step in the

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<sup>72</sup> Institute for Public Policy Research, [No longer 'managing': The rise of working poverty and fixing Britain's broken social settlement](#), 2021.

<sup>73</sup> Institute for Fiscal Studies, [Living standards, poverty and inequality in the UK](#), 2020.

<sup>74</sup> Social Market Foundation, [Measuring and mitigating child hunger in the UK](#), 2020.

right direction, but government announced plans to end it in September.<sup>75</sup> Some groups have estimated that 6.2 million families could face an overnight loss if, as planned, this uplift expires in September.<sup>76</sup>



### What has driven increases in child and in-work poverty?

A basket of policy changes across the UK have contributed to rising rates of child poverty and in-work poverty, including:<sup>77, 78, 79</sup>

- 4-year freeze on working-age benefits (2016-2020)
- Introduction and implementation of Universal Credit
- Reductions of benefits within the Universal Credit system
- two-child limit on Child Tax Credit, Universal Credit
- Housing Benefit and Council Tax Reduction for children born after 6th April 2017
- the Benefit cap, introduced in 2013 (£500 per week) and lowered in 2016 (£350 per week) limiting the amount of state benefits an individual household can claim
- Local Housing Allowance cap (restricting Housing Benefit to the 30th percentile of local rents from 2011 in England)
- the move to Consumer Price Index method to uprate benefits due to inflation (a change from using the Retail Price Index, which was more generous)

Children in large families, workless households and lone parent families have suffered the most from these reforms.<sup>80</sup> Northern Ireland, Scotland and Wales have had the ability to introduce policies to mitigate the impact of UK Government cuts, for example the introduction of the Scottish Child Payment which gets around the benefit cap and the two-child limit rules. These will be discussed in the nation-specific chapters of this report.

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<sup>75</sup> BBC, [Universal credit: how long will the £20 increase last?](#), 2021.

<sup>76</sup> Joseph Rowntree Foundation, [Keep the lifeline: why the Government should keep the £20 uplift to Universal Credit](#), Accessed June 2021.

<sup>77</sup> Institute for Fiscal Studies, [Living standards, poverty and inequality in the UK](#), 2020.

<sup>78</sup> The London School of Economics and Political Science, [The Conservative Governments' Record on Social Policy from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes](#), 2021.

<sup>79</sup> Institute for Fiscal Studies, [Living standards, poverty and inequality in the UK](#), 2020.

<sup>80</sup> The London School of Economics and Political Science, [The Conservative Governments' Record on Social Policy from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes](#), 2021.



### Who is building capital?

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All recessions have winners and losers. While it is still too early to look holistically at the COVID-19 recession's impact, there are clear and early indications of two groups who are building capital and gaining skills, with significant impact to future social mobility.

#### Riding out the storm in education

When a recession hits, a logical way to ride out the storm is to turn to education to build human capital. This keeps people active and gaining skills, and, crucially, out of the labour market while jobs are scarce. There is nothing inherently wrong with this approach, but the policy challenge comes when some groups dominate.

Our analysis (shown in the previous section, figure 1.11) shows those from privileged and intermediate backgrounds are disproportionately turning to education. This is worrying, as those from privileged backgrounds especially were already over-represented in higher education compared to those from poorer backgrounds; the most advantaged pupils were more than twice as likely to go to HE than the most disadvantaged pupils.<sup>81</sup> If more privileged pupils turn to HE during the pandemic, it could significantly damage efforts to widen participation and could set the country back years.

As the economy recovers, these young people will have higher rates of qualifications and skills than their working class peers, which could result in them taking up professional jobs at even higher rates than before. This could have lasting knock-on effects on job prospects for young people from disadvantaged backgrounds.

And for poorer young people who do not have the option to spend more money to stay in school, the 'scarring' effects of leaving education in the midst of a recession will persist for several years.<sup>82</sup>

#### Wealth and Housing

The typical gap in wealth per adult between the top and the middle of the distribution is now 55 times the typical household income (measured after housing costs). The Resolution Foundation has estimated that, unusually during a recession, total household wealth has actually increased by almost £900 billion, or 6%, on pre-pandemic levels. Yet despite this significant increase in total wealth, low-income households were more likely to have run down their savings, and were less likely to pay off debt, than those higher up the income distribution. All of this further widens the wealth gap.<sup>83</sup>

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<sup>81</sup> Department for Education, [Widening participation in higher education](#), 2020.

<sup>82</sup> Intergenerational Centre: Resolution Foundation Briefing, [Uneven steps: Changes in youth unemployment and study since the onset of COVID-19](#), 2021.

<sup>83</sup> Resolution Foundation, [\(Wealth\) Gap Year](#), 2021.

Quality, secure housing in a convenient location is key to good living standards and opportunities. It also matters because inequalities in home ownership have an impact on inequalities in inheritance, which will impact future generations' social mobility prospects.

Prior to the pandemic, poor housing supply, particularly for affordable and social homes, was one of the biggest drivers of intergenerational inequality and a key challenge for absolute social mobility – the ability for each generation to do better than the last.<sup>84, 85, 86, 87</sup>

Recent trends have shown wealthier families increasing levels of second home ownership and an apparent increase in intergenerational wealth transmission.<sup>88</sup> As inheritance of these houses comes into play, we will see stark rises in inequalities, which affect 'relative' social mobility; the comparison between peers within a generation.

## 56% of first time buyers under 35 are receiving financial support from the 'bank of mum and dad'



Young people are increasingly relying on support from their families to get on the housing ladder. 56% of first time buyers under 35 are receiving financial support from the 'bank of mum and dad'.<sup>89</sup> Those who don't have access to such funds end up stuck: young people whose parents were not homeowners and those whose parents were in lower-skilled occupations have, since the early 2000s, been increasingly less likely to be homeowners.<sup>90, 91</sup>

Lack of social housing has pushed many low-income people out of the social rented sector and into less secure housing, leaving over 1.1 million people on the waiting list for social housing.<sup>92</sup> From 2007 to 2017, the share of UK households that live in private rented accommodation increased by 63% to an estimated 11 million people.<sup>93, 94</sup> Not only are these households paying a higher share of their income on housing costs, they are also missing out on the opportunity to accumulate housing assets.

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<sup>84</sup> UCL Institute of Education, [The crisis for young people: why housing is the key to social mobility](#), 2017.

<sup>85</sup> Resolution Foundation, [Living standards 2016: The experiences of low to middle income households in downturn and recovery](#), 2016.

<sup>86</sup> UCL Institute of Education, [The crisis for young people: Why housing is the key to social mobility](#), 2017.

<sup>87</sup> Office for National Statistics, [Living longer: Changes in housing tenure over time](#), 2020.

<sup>88</sup> Centre for Economic Performance, [Trends in intergenerational home ownership and wealth transmission](#), 2021.

<sup>89</sup> Legal and General, Bank of Mum and Dad Report, 2020.

<sup>90</sup> London School of Economics and Political Science, [Home ownership and social mobility](#), 2017.

<sup>91</sup> The University of Sheffield, [The social mobility of home ownership: To what extent have the millennials fared worse?](#), 2019.

<sup>92</sup> Ministry of Housing, Communities and Local Government, [Table 600: numbers of households on local authorities' housing waiting lists, by district, England, from 1997](#), 2021.

<sup>93</sup> Office for National Statistics, [UK private rented sector: 2018](#), 2019.

<sup>94</sup> Institute for Fiscal Studies, [Living standards, poverty and inequality in the UK: 2014](#), 2014.



There are now more than one and a half million families raising children in private rentals, more than double the number 15 years ago.

The type of people living in the private rented sector has changed too – it used to be a temporary place for young professionals beginning their careers. Today, many disadvantaged families have needed to rent for longer periods at rising costs. There are now more than one and a half million families raising children in private rentals, more than double the number 15 years ago.<sup>95</sup>

High housing costs are driving insecurity. In the last three years, over half of state school teachers in Britain have worked at a school with children who were homeless or became homeless.<sup>96</sup> Rising housing costs also mean that families may have to put up with poor conditions like damp and overcrowding, which can have a significant impact on childhood health and educational outcomes.<sup>97, 98</sup>

Insecure housing tenure of any kind increases the probability of frequent moves, making it more difficult to sustain education, employment and training.<sup>99, 100</sup> UK Government research found that frequent movers are significantly less likely to obtain five A\*-C GCSEs, or to be registered with a GP.<sup>101</sup> Living in an insecure home also has an impact on mental health. Children who moved once in the past year were almost 50% more likely to have lower wellbeing than those who hadn't.<sup>102</sup>

The pandemic has seen a spike in house prices in many parts of the county, making it even harder for many disadvantaged households to get on the housing ladder.<sup>103</sup> Depending on how the housing market continues to fare, this could exacerbate the pre-existing trends, worsening social mobility outcomes.

The UK Government responded to the crisis with a wide array of measures to protect mortgage-holders, builders and lenders. But these policies are regressive. First time buyers are already largely exempt from stamp duty (unless they are buying high value properties), and so the stamp duty holiday (in England and Northern Ireland, and changes to transaction tax thresholds in Scotland and Wales) benefits home buyers

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<sup>95</sup> Ministry of Housing, Communities and Local Government, [English housing survey 2019 to 2020: Headline report](#), 2020.

<sup>96</sup> Shelter, [Homeless at school: 56% of teachers have worked with homeless children](#), 2020.

<sup>97</sup> Shelter, [Chance of a lifetime – the impact of bad housing on children's lives](#), 2006.

<sup>98</sup> Shelter, [Homeless at school: 56% of teachers have worked with homeless children](#), 2020.

<sup>99</sup> The Health Foundation, [Frequency of residential moves by housing tenure](#), 2021.

<sup>100</sup> The Children's Society, [Moving always moving](#), 2020.

<sup>101</sup> Department for Communities and Local Government, [Moving on: Reconnecting frequent movers](#), 2006.

<sup>102</sup> The Children's Society, [Moving always moving: The normalisation of housing insecurity among children in low income households in England](#), 2020.

<sup>103</sup> Office for National Statistics, [UK house price index](#), 2021.

who are moving up the property ladder and accumulating housing wealth, or who are buying multiple houses. Additionally, coronavirus mortgage payment holidays benefited homeowners.<sup>104</sup>

But there were positive policies for lower income households. For tenants, evictions were banned across the UK at the start of the first lockdown (with an end of 31 May 2021).<sup>105</sup> Financial support was made available through Local Housing Allowance uplift to cover the lowest 30% of market rents in each area and increases to Discretionary Housing Payment funds of £180 million were made in 2020-21.<sup>106</sup>

Nonetheless, in December 2020, citizens Advice estimated that half a million private renters in the UK were behind on their rent, and the UK Government estimate that around one in ten of all renters in England are in arrears.<sup>107, 108</sup> 45% of private renters now rely on benefits to pay their rent, and housing support now fails to cover the cost of a modest two bedroom home in 67% of local areas in England.<sup>109</sup>

### The gaps in living standards

Pre-pandemic, we were already facing entrenched divides in living standards between the richest and the rest.<sup>110, 111, 112, 113</sup> Households at the 95th percentile of earnings have seen their incomes rise 2.5 times higher than they were 40 years ago. This compares to almost no growth for the households at the 5th percentile (see figure 1.13). This level of inequality is reaching unsustainable heights and is contributing to lower levels of wellbeing and life satisfaction for the poorest.

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<sup>104</sup> UK Parliament, [Mortgage arrears and repossessions \(England\)](#), 2021.

<sup>105</sup> Ministry of Housing, Communities and Local Government, [COVID-19 and renting: Guidance for landlords, tenants and local authorities](#), 2020.

<sup>106</sup> House of Commons Library, [Coronavirus: Support for landlords and tenants](#), 2021.

<sup>107</sup> Citizens Advice, [Half a million renters in arrears as evictions set to resume](#), 2021.

<sup>108</sup> Ministry of Housing Communities and Local Government, [Household resilience study: Wave 2](#), 2020.

<sup>109</sup> Shelter, [45% of all private renters now receive benefits to pay rent](#), 2021.

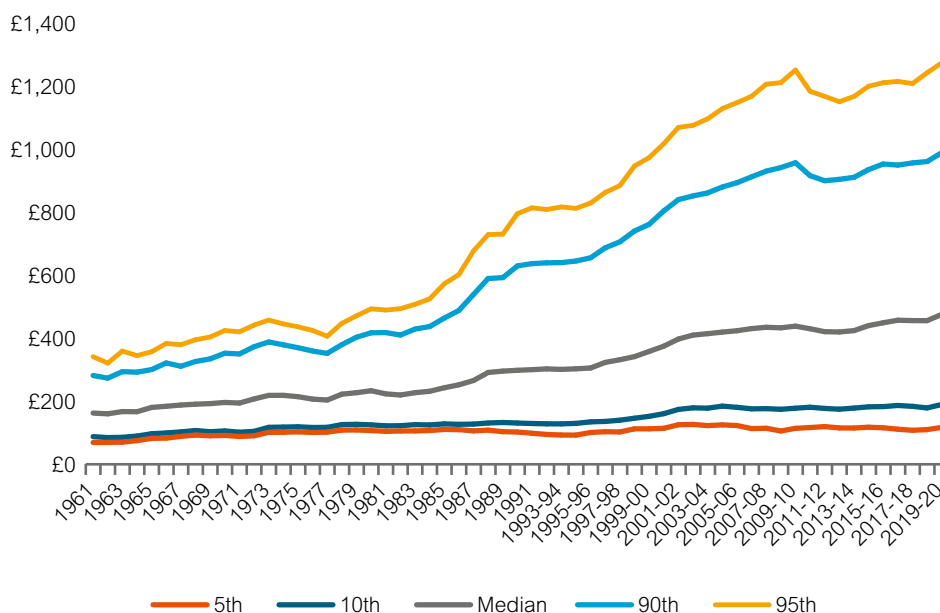
<sup>110</sup> Department for Work and Pensions, [Households below average income: an analysis of the income distribution FYE 1995 to FYE 2020](#), 2021.

<sup>111</sup> Institute for Fiscal Studies, [Living standards, poverty and inequality in the UK: 2020](#), 2020.

<sup>112</sup> Oxford Review of Economic Policy, [Flat-lining or seething beneath the surface? Two decades of changing economic inequality in the UK](#), 2019.

<sup>113</sup> Resolution Foundation, [Charting the UK's lost decade of income growth](#), 2020.

**Figure 1.13:** Real weekly household income (after housing costs) for selected percentiles



**Source:** Institute for Fiscal Studies, Living standards, poverty and inequality in the UK, 2020

**Note:** Figures are in 2019-20 prices

These divides are felt by adults across the UK. In our 2021 opinion poll, 79% of adults in the UK said there was a fairly large or very large gap between different social classes.<sup>114</sup> It is easy to understand why large proportions of the population – including those in the middle – feel left behind. In very real ways, they have been.

Young adults in particular are facing the squeeze. They have experienced much lower and sometimes even negative growth in their average income and earnings compared to older age groups.<sup>115</sup> If we are striving to ensure each generation is financially better off than the last – achieving absolute social mobility – we are sadly failing younger generations.

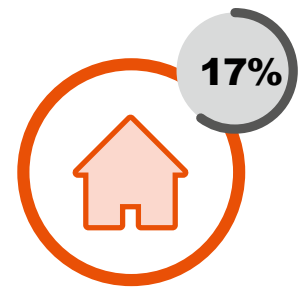
There are several drivers of this stagnation. The economy had barely recovered from the 2008 financial crisis when inflation hit in 2016. Following the Brexit referendum, sterling depreciated, driving up inflation rates. Put together, incomes have stalled for those at the bottom and in the middle in an unprecedented way, with average income growing less than any other 10-year period since records began in the 1960s.<sup>116</sup> These trends have been compounded with significant cuts to the welfare system (discussed in the child poverty section above).

<sup>114</sup> Social Mobility Commission, [Social mobility barometer](#), 2021.

<sup>115</sup> Oxford Review of Economic Policy, [Flat-lining or seething beneath the surface? Two decades of changing economic inequality in the UK](#), 2019.

<sup>116</sup> Institute for Fiscal Studies, [Living standards, poverty and inequality in the UK](#), 2020.

# 17% of working households lived in poverty in early 2020



Together with spiralling housing costs, stagnating incomes and welfare cuts, the result is high rates of in-work poverty: levels hit a new high of 17% of working households living in poverty in early 2020, before the pandemic took hold.<sup>117</sup> Rises to the National Living Wage helped increase earnings equality for those at the bottom end of the spectrum, but it failed to counteract in-work poverty. The result is a large and growing gap between the top and bottom of the ladder.

But income is only one part of the picture. The COVID-19 recession is unlike any before, in that it literally forced many to increase savings. With no restaurants or travelling options available, 28% of high- and middle-income households began accumulating additional savings.<sup>118</sup> But while some households have saved, others have had to take on debt in response to falling income. The ONS estimate that, by December 2020, nearly 9 million people had to borrow more due to the pandemic.<sup>119</sup> Increases in borrowing were most common among lower income groups, the self-employed and people living in rented accommodation.<sup>120</sup>

These trends will likely map onto overall wealth. The Economics Observatory expect that households with relatively lower wealth at the beginning of the crisis are unlikely to have grown wealth, while poorer households are falling behind due to rising debts.<sup>121, 122</sup>

This all matters, particularly as inheritances come into play.<sup>123</sup> According to the Institute for Fiscal Studies (IFS), for those born in the 1960s, inheritances are projected to account for around a quarter of inequality in living standards between those from different socio-economic backgrounds.<sup>124</sup> But for those born in the 1980s, this is projected to rise to a third.

This has knock-on effects for home ownership, retirement income and even consumption and living standards. Higher-earning households who expect to receive significant inheritance can save less for retirement and therefore have greater consumption and living standards. In other words, lower savings means more spending – and potentially better living standards – in the years before inheriting.

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<sup>117</sup> Institute for Public Policy Research, [No longer 'managing': The rise of working poverty and fixing Britain's broken social settlement](#), 2021.

<sup>118</sup> Bank of England, [How has COVID-19 affected household savings?](#), 2020.

<sup>119</sup> Office for National Statistics, [Personal and economic well-being in Great Britain: January 2021](#), 2021.

<sup>120</sup> Ibid.

<sup>121</sup> Economics Observatory, [Have government measures been protecting the UK's most vulnerable?](#), 2021.

<sup>122</sup> Economics Observatory, [What are the implications of COVID-19 for wealth inequality?](#), 2021.

<sup>123</sup> Econ Papers: [Trends in Intergenerational Home Ownership and Wealth Transmission](#), Accessed June 2021.

<sup>124</sup> Institute for Fiscal Studies, [Inheritances and inequality over the life cycle: what will they mean for younger generations?](#), 2021.

Even pre-pandemic, there were gaps between those at the very top versus the rest. It will be some time before a definitive picture of income, savings, debt and wealth inequalities emerge, but it is highly likely that the pandemic has made these obstacles to social mobility in the UK even worse. Social mobility and inequality are intrinsically linked – these divides are critical to solve.

Strong redistributive, educational and employment policy responses are crucial to ensure the qualifications and capital accumulated under COVID-19 do not lead to long-term impacts to social mobility.

### How has UK policy addressed this?

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Three lockdowns since March 2020 have meant that many people have lost their jobs or have been unable to work for a lot of the time. Faced with incredible challenges, the UK Government has responded in ways few could have predicted. The same party that oversaw austerity after the last recession has responded to COVID-19 with over £271 billion of committed spending in the UK, which will continue to increase.<sup>125, 126</sup>

Approximately half of this has gone towards support measures such as payments to those on furlough, grants and higher benefits. In a matter of weeks, government rewrote entire policy areas across almost every department. The speed of response was unprecedented in recent memory. Without a doubt, many more would be suffering had these measures not gone into place.

But despite this response, COVID-19's impact has still been felt unevenly across groups, often affecting the most disadvantaged in society and creating socio-economic disparities. In this section, we will briefly analyse the most relevant UK-wide policy response for COVID-19's impact on socio-economic disparities. Relevant devolved policy areas will be addressed in more detail in country-specific chapters.

#### Jobs

The UK introduced the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS) as the primary ways of propping up employees and keeping them tied to their employers (which would enable faster recovery). At the end of September 2020, 2.8 million people were on the Coronavirus Job Retention Scheme, and as at May 2021, there have been 11.5 million unique jobs supported by the scheme since its inception; take-up rates have been highest in accommodation and food services, arts, entertainment and recreation, and other service

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<sup>125</sup> National Audit Office, [COVID-19 cost tracker](#), 2021.

<sup>126</sup> To contrast how remarkable this spending approach has been, in the 2008 financial crash, the NAO put the total government spending to stabilise the banks at £133bn, of which most was paid back and only around £25bn remains outstanding. In 2008, the Government also provided financial guarantees to the banks of over £1 trillion but this primarily provided confidence to the sector and does not cost the Treasury anything if all goes well.

activities.<sup>127, 128</sup> These policies and additional help for businesses in the form of grants, preferential loans and tax breaks have helped to keep many employers afloat as their markets dried up.

While we do not know definitively how well the scheme supported those from different backgrounds, the analysis we have laid out throughout this chapter has suggested that those in working class occupations may have seen the most protection as a result of being on furlough. Without it, we would have expected to see higher rates of unemployment for those in working class jobs. It is still too early to tell whether these groups will see significant increases in unemployment once the Coronavirus Job Retention Scheme comes to an end.

### Youth unemployment – Kickstart

The UK-wide Kickstart Scheme, launched in autumn 2020, is one of the UK Government's preventative measures against long-term youth unemployment among 16-24 year olds claiming Universal Credit.<sup>129, 130</sup> The scheme provides funding to employers for creating new jobs for this group. Funding pays the minimum wage for the new employee (for 25 hours a week for 6 months), as well as National Insurance and pension contributions. Over 219,000 jobs have been created.<sup>131</sup>

It is too early to draw firm conclusions on the impact of the Kickstart Scheme, but the targeted design of the scheme is welcome. The UK Government must closely monitor the participation rate for both employers and young people on a regional basis, with a particular focus on the availability of placements near areas of deprivation.

We do, however, have concerns over the scheme's delivery and ultimately its impact. Initially, a threshold requirement was in place, with employers having to create at least 30 placements to be able to apply directly for participation in the scheme, impacting on the ability of small businesses to benefit from it. Although this limit has now been removed, risks still remain regarding the ability of employers to fulfil their plans and offer more young people the opportunity of employment – all before December 2021, when the scheme ends.<sup>132</sup> Employers have noted that they have had to delay placements due to lockdown conditions.<sup>133</sup> Data is not yet available for a full evaluation of the scheme.

In addition to Kickstart, the UK Government has a youth employment programme, including youth hubs and employability coaches, and an expansion of traineeships, among other initiatives, all operating in England, Scotland and Wales.<sup>134</sup>

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<sup>127</sup> HM Revenue and Customs, [Coronavirus Job Retention Scheme statistics: 6 May 2021](#), 2021.

<sup>128</sup> HM Revenue and Customs, [Coronavirus Job Retention Scheme statistics](#), 2020.

<sup>129</sup> HM Treasury, [Landmark Kickstart scheme opens](#), 2020.

<sup>130</sup> Institute for Employment Studies, [Labour Market Statistics](#), 2020.

<sup>131</sup> Youth Futures Foundation, [Five reasons to extend Kickstart](#), 2021.

<sup>132</sup> Youth Futures Foundation, [Five reasons to extend Kickstart](#), 2021.

<sup>133</sup> UK Parliament, [Kickstart scheme: Question for Department for Work and Pensions](#), 2021.

<sup>134</sup> Department for Work and Pensions, [Guidance: help to find work for Universal Credit claimants aged 18 to 24](#), 2021.



## Digital access and skills

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The UK Government has taken important action to build the UK's digital infrastructure. The National Infrastructure Strategy, which was announced in December 2020, outlines how the UK Government aims to work with the private sector to provide fast and reliable internet connection across the UK by 2025.<sup>135</sup> While this initiative is welcome, this does not mean everyone will be able to benefit from the UK's renewed digital infrastructure. It is estimated that one in every seven adults in Wales and Scotland is currently not able to afford private, sufficient and reliable internet to meet their essential needs.<sup>136</sup>



17.1 million do not have digital workplace skills.

Furthermore, providing internet connection alone is not enough: nine million adults lack the foundation skills (such as turning on a computer), 11.7 million adults lack the essential digital skills for life (such as buying something online) and 17.1 million do not have digital workplace skills.<sup>137</sup> Many among those 17.1 million do not know how to use the internet to search for a job, write a CV or attend a virtual job interview. The lack of essential digital skills needed for work negatively impacts these disadvantaged people's employability by trapping them in low-paid jobs.



13% of the population in Wales are still offline compared to 5% in England.

While the UK Digital Strategy (2017) covers the entire UK, digital skills and inclusion policy is a devolved matter.<sup>138</sup> The COVID-19 pandemic has revealed the extent to which the UK policy has failed to make a substantial impact on the digital skills level of the population, particularly when it comes to addressing regional disparities. 17% of the population in the east of England say that they are not confident with using digital technology compared to only 10% in London.<sup>139</sup> 13% of the population in Wales are still

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<sup>135</sup> Department for Digital, Culture, Media and Sport, [Project gigabit phase one Delivery Plan](#), 2021.

<sup>136</sup> National Endowment for Science, Technology and the Arts, [Data Poverty in Scotland and Wales](#), 2021.

<sup>137</sup> Lloyds Banking Group, [Lloyds Bank UK Consumer Digital Index](#), 2020.

<sup>138</sup> Department for Digital, Culture Media and Sport, [Digital skills and inclusion - Giving everyone access to the digital skills they need](#), 2017.

<sup>139</sup> Lloyds Banking Group, [UK consumer digital index 2021](#), 2021.

## The United Kingdom

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offline compared to 5% in England.<sup>140</sup> A new digital strategy is due in autumn 2021. The pandemic has demonstrated the need for increased funding and organisational support for adults' digital skills provision.<sup>141</sup>

For students across the country, lockdown changed the way education had to be delivered. But not all students could switch easily to remote working. Ofcom estimates that 20% percent of pupils did not have constant access to a laptop, computer or tablet at home during school closures.<sup>142</sup> England, Northern Ireland, Scotland and Wales all made significant efforts to provide internet access and digital devices to disadvantaged pupils. Wales responded quickest, thanks to its existing digital inclusion policy initiatives and infrastructure.<sup>143</sup> By May 2021, approximately 1.5 million digital devices were delivered to disadvantaged pupils in total across the United Kingdom.<sup>144, 145, 146, 147</sup>

The Department for Education (DfE) grants the ownership of devices to local authorities, academy trusts, schools, colleges and further education institutions which then lend the devices to pupils and children. This means that not all pupils will be able to keep their devices unless the local authorities or school decide to give them permanently.<sup>148</sup>

Having a parent around to help younger pupils to navigate their virtual lessons is also crucial. Unfortunately, this too was stratified by socio-economic background; 44% of middle-class parents spent four or more hours helping with home learning compared to 33% from disadvantaged backgrounds.<sup>149</sup>

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<sup>140</sup> Ibid.

<sup>141</sup> House of Lords, [Beyond digital: Planning for a hybrid world](#), 2021.

<sup>142</sup> Ofcom, [Digital divide narrowed by the pandemic, but around 1.5m homes remain offline](#), 2021.

<sup>143</sup> Education Policy Institute and Nuffield Foundation, [Education policy responses across the UK to the pandemic](#), 2020.

<sup>144</sup> Department for Education, [Laptops and tablets data, week 19 2021](#), 2021.

<sup>145</sup> Scottish Government, [Helping families get online](#), 2021.

<sup>146</sup> Northern Ireland Government, [IT equipment: 19 Oct 2020: Northern Ireland Assembly debates](#), 2020.

<sup>147</sup> Welsh Government, [Device and connectivity update for digitally excluded learners during coronavirus \(COVID-19\)](#), 2021.

<sup>148</sup> Department for Education, [Who owns the devices, and how to distribute them to children and young people](#), Accessed June 2021.

<sup>149</sup> Education Policy Institute, [Education policy responses across the UK to the pandemic](#), 2020.

### Case study

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#### End laptop poverty

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**While schools were closed, Ofcom estimated that 1.5 million children in the UK did not have access to a laptop device.**



Recognising that access to appropriate tech could have a lasting impact on the educational outcomes of young people and their life chances, the Department for Opportunities, the advocacy and campaign arm of the Social Mobility Foundation, began campaigning to #EndLaptopPoverty, encouraging employers they work with to donate devices.

They also ran a consumer-facing campaign to collect old devices from individuals. Donated laptops and tablets had to meet quality control standards, with a minimal dual core processor and at least 2GB of RAM. Any devices that were previously owned were securely wiped. Donation partner charities, based across the UK, ensured that the laptops reached those students most in need by working with social services and local community groups.

The device came just in time for Olivia from Durham, “The timing is amazing, with my assessments coming up I’m really grateful that I’m now able to revise easier online and be more prepared if we go back to online learning. It will help me keep on track with my revision timetable as I’ll now be able to access online resources that I was only able to access at sixth form.”

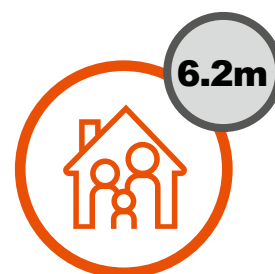
So far, 2,214 laptops have been donated. The award-winning campaign is still running and whilst it is recognised that students from lower socio-economic backgrounds do still face challenges around access to wifi or digital skills training, it shows how individuals, employers and charities worked together to support those in need during the pandemic.

### Unemployment and benefits

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For the unemployed or underemployed, the universal credit £20 weekly uplift policy was, and is, a vital intervention. It was created at impressive speed and against a sudden and huge increase in demand, with 3.4 million individuals making a universal credit declaration from 1 March to the end of June 2020 – a testament to DWP’s preparation and delivery.<sup>150</sup> This particularly benefited families on lower incomes, those with children (particularly single parents), ethnic minority families, and families where someone is disabled. This policy was a lifeline for many, but its impact wasn’t evenly spread; the same amount was paid irrespective of household size or needs. If reversed, as planned in September 2021, some estimate it could impact 6.2 million families.<sup>151</sup>

## 6.2 million families could be impacted when the £20 uplift to universal credit is removed



Despite these and other support measures it is likely that the number of households facing hardship has still increased according to the Equalities and Human Rights Commission.<sup>152</sup> The number of households unable to pay essential bills has increased, even after receiving support such as universal credit or the Coronavirus Job Retention Scheme, and there has been unprecedented growth in demand for emergency food parcels.<sup>153, 154</sup> England, Northern Ireland, Scotland and Wales all offered Free School Meal (FSM) provisions, whether in the form of vouchers or payments, to all eligible children.<sup>155</sup> In England, a public campaign by footballer Marcus Rashford helped sway public opinion and put pressure on the UK Government to respond.<sup>156</sup> Scotland and Wales had already committed to free summer meals at the time of Rashford’s campaign and Northern Ireland followed suit soon after.<sup>157</sup>

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<sup>150</sup> Department for Work and Pensions, [Universal Credit declarations \(claims\) and advances: Management information](#), 2020.

<sup>151</sup> Joseph Rowntree Foundation, [Keep the lifeline: Why the Government should keep the £20 uplift to Universal Credit](#), 2020.

<sup>152</sup> Equality and Human Rights Commission, [How coronavirus has affected equality and human rights](#), 2020.

<sup>153</sup> Step Change Debt Charity, [COVID-19 Client Data Report](#), 2021.

<sup>154</sup> Institute for Fiscal Studies, [Income protection policy during COVID-19: Evidence from bank account data](#), 2020.

<sup>155</sup> BBC, [Free school meals: Meals to be funded during holidays until 2022](#), 2020.

<sup>156</sup> BBC, [Marcus Rashford: Food voucher U-turn after footballer's campaign](#), 2020.

<sup>157</sup> Ibid.

## The United Kingdom

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Whilst the UK Government's response has undoubtedly provided important protection to society as a whole, people from disadvantaged backgrounds have still faced multiple burdens from the COVID-19 pandemic, including disproportionate mortality and morbidity rates, disproportionate impact from lockdown measures and greater suffering from the subsequent economic fallout.<sup>158</sup>

As we have said throughout the pandemic, the poor and the young will suffer most from an economic downturn – they need to be put at the heart of every policy and financial decision the UK Government makes in the coronavirus recovery plan.

### Tax

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When the UK emerges from the COVID-19 crisis, managing debt will be on the top of Treasury's agenda. That must be considered alongside a need to spend significant funds on the bold recommendations we have set out to ensure that recovery prioritises social mobility. It is critical that the UK Government outlines a non-regressive plan or that does not ask more from those who have the least to give. These decisions will require trade-offs and will not be easy.

The role of the tax and social security system to transform social mobility outcomes is often understated. This is despite evidence that redistributive and income support policies are associated with greater intergenerational social mobility.<sup>159</sup> Cross-country analysis tells us that austerity measures tend to make poverty and income inequality worse.<sup>160, 161, 162</sup>

The UK system is characterised by an inconsistent and inequitable treatment of wealth and savings, with different principles applied in each area and sharp differences in treatment between areas.<sup>163, 164</sup> Plans to pay for the pandemic should focus on wealth and assets, rather than income or National Insurance, and should create a more progressive and consistent tax system. In particular, the UK Government should address council tax policy in England, which is outdated and regressive, alongside stamp duty. Inheritance tax should also be considered, but crucially, it should include a broad base of housing and pensions rather than income alone. In this chapter, we have shown how assets have accumulated for some during this pandemic and how these assets will shape future income mobility when they are inherited by the next generation. It is important tax policy addresses this, to create a more socially mobile UK.

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<sup>158</sup> The BMJ, [Using socio-economics to counter health disparities arising from the COVID-19 pandemic](#), 2020.

<sup>159</sup> OECD Journal: Economic Studies, [Reconciling fiscal consolidation with growth and equity](#), 2014.

<sup>160</sup> OECD Economics Department Working Papers, [The Equity Implications of Fiscal Consolidation](#), 2013.

<sup>161</sup> OECD Economics Department Working Papers, [How to achieve growth- and equity-friendly fiscal consolidation?: A proposed methodology for instrument choice with an illustrative application to OECD countries](#), 2013.

<sup>162</sup> IMF Working Paper, [The Distributional effects of fiscal consolidation](#), 2013.

<sup>163</sup> Nuffield Foundation, Economic & Social Research Council, [Tax by design](#), 2011.

<sup>164</sup> Centre for Analysis of Social Exclusion, [Wealth distribution, accumulation and policy](#), 2013.

## Looking forward

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The United Kingdom has faced significant shocks throughout its lifetime – recessions, pandemics, even global wars. It is how we have responded to these shocks that has defined our country and shaped the society we live in today.

Prior to COVID-19, the Commission was already worried about rising levels of child poverty, gaps in educational attainment, growing gaps between those who can access opportunity and those who can't, declines in living standards, geographic inequality and a great divide opening up between the richest and the rest. COVID-19 has accelerated all of these trends. Great crises require great solutions. As we move into recovery, the UK Government must put fairness at the heart of its tax policy.

In the following essays, we look separately at England, Northern Ireland, Scotland and Wales. We monitor each one's key social mobility indicators, before looking at what trends we were concerned about pre-COVID-19, and the differing policy responses that came out of the pandemic. We analyse policy and set out what each can learn from the other in their differing approaches.



Social Mobility  
Commission

# England



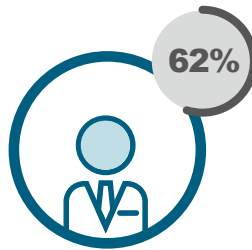
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## Highlights

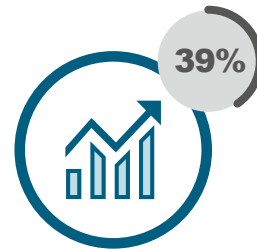
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Disadvantaged pupils in primary schools are now a total of seven months behind their more privileged peers by autumn alone. So far, COVID-19 has increased the attainment gap by 0.5-1 month on top of the existing gap. This is the equivalent of erasing between a third and two-thirds of the last decade's progress on closing the educational attainment gap.



Those from privileged backgrounds are benefitting from an expansion of professional jobs in the labour market, increasing their hold at the top of the labour market. In 2020, 62% of those from professional backgrounds are themselves in professional backgrounds, compared to 39% of those from working class backgrounds.



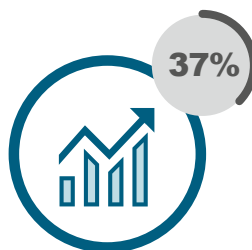
People from working class backgrounds are slowly becoming more upwardly mobile – 33% of people from working class backgrounds were in professional jobs in 2014, rising to 39% in 2020.



England is the only nation in the UK without a strategy to address child poverty – this is one of its greatest blockages to improving social mobility.



Since 2014, England has had the highest rates of child poverty of any country in the United Kingdom, though it is now roughly equal with Wales. Over 30% of children are living in poverty.



In the north-east of England, child poverty rates have risen sharply by around 11 percentage points in five years (from 25% to 37%). They are now close to the London rate of 38%.



To recover from educational learning loss, close to £15 billion may be needed, far more than the initial £3.1 billion announced to date.



## Introduction

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**Successive governments have pledged to reduce the socio-economic inequalities that lead to poor social mobility.** Whether that's focusing on the 'distribution of opportunity,' 'opportunity for all,' the 'left behind,' 'building back better' or 'levelling up,' each successive government has pledged to create a more fair and equal society that allows talent and merit – and not what family you are born into – to be your defining feature.

Despite this, there has never been an overarching strategy for social mobility or a desire to make socio-economic background a protected characteristic, which would unlock legal protections and reporting on public sector bodies and employers. Instead, England's major policy initiatives have focused on using education to reduce socio-economic inequalities, including the Opportunity Areas pilot.<sup>165</sup>

We know education alone cannot solve social mobility. Improving access and progression through functioning labour markets is the second critical piece.<sup>166</sup> The third and perhaps most significant is tackling poverty.<sup>167</sup> England is the only nation in the United Kingdom that lacks a poverty reduction strategy.

The levelling up agenda offers an opportunity to address geographic inequalities that can lead to a postcode lottery for social mobility. In December 2020, the Women and Equalities Minister announced the creation of a new Equality Data programme in Cabinet Office's Equality Hub. This has the potential to improve data on the socio-economic inequalities that lead to poor social mobility. However, the programme was started without a significant focus on policy, which is likely to reduce its effectiveness in coordinating across government. Data teams have been exploring linkages with the new levelling up unit; the effectiveness of this join up and the impact of low levels of policy capacity will determine how well Cabinet Office can lead a cross-government response to the social mobility agenda.

This chapter assesses the state of social mobility in England and early impacts of the COVID-19 pandemic. It will address key policy areas of early years, education, employment, poverty and living standards to unpick how England's policy response is faring.

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<sup>165</sup> Department for Education, [improving social mobility through education: unlocking talent, fulfilling potential](#), 2017.

<sup>166</sup> Social Mobility Commission, [The long shadow of deprivation](#), 2020.

<sup>167</sup> For a complete assessment of UK policy response to social mobility, see Social Mobility Commission, [Monitoring social mobility 2013 to 2020](#), 2020.



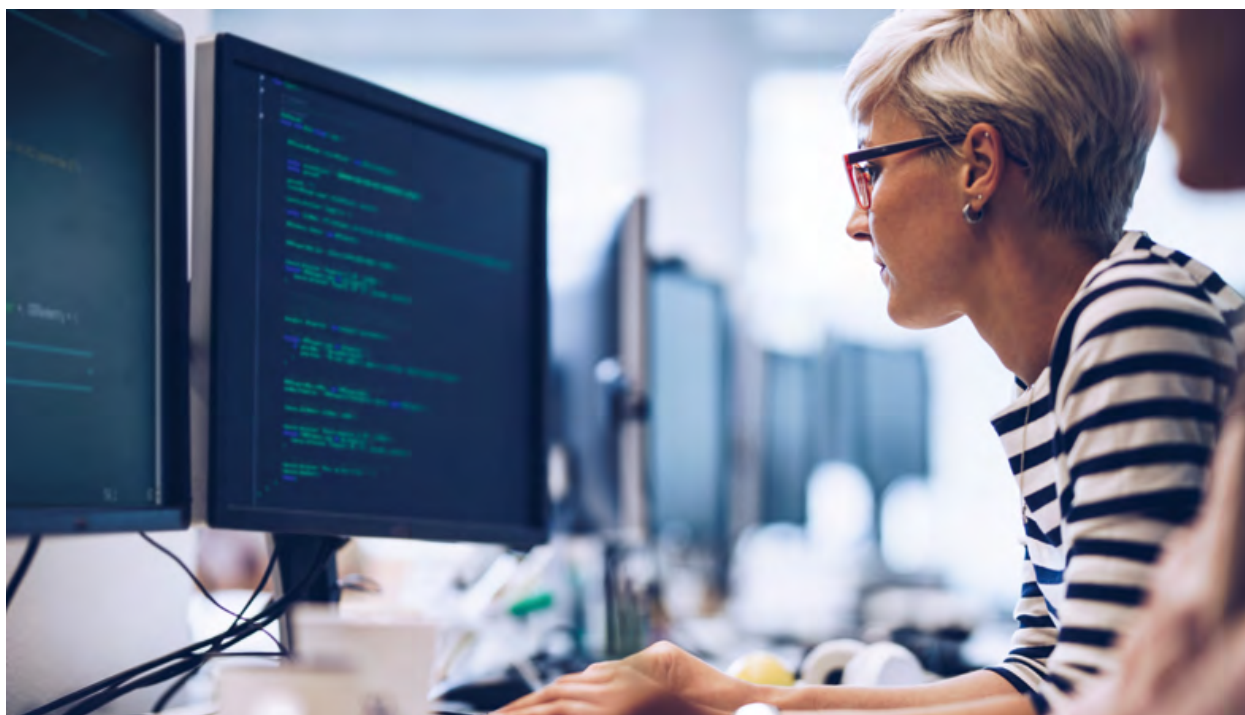
## How does England compare with the rest of the UK?

England makes up 84% of the UK's population and so England-specific trends often align closely to UK-wide trends in social mobility, employment, living standards, poverty and inequality. In this chapter, we sometimes draw on UK statistics to represent this situation in England where England statistics are not readily available. Social policy in England is largely set by the UK Government with some local devolution to combined authorities. This chapter primarily focuses on England-specific policy areas.

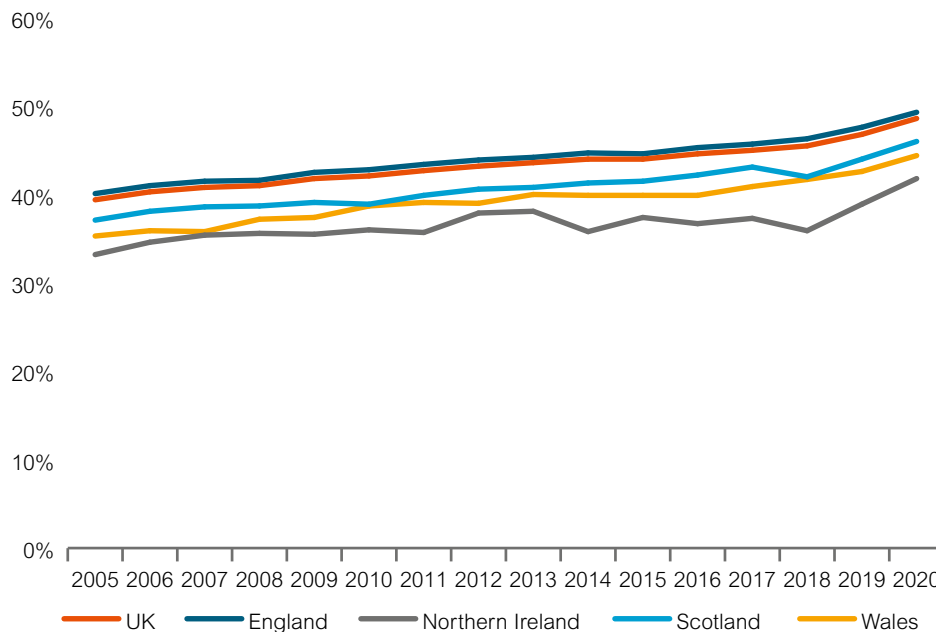
## Trends in social mobility in England: Overview

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Around half (49%) of all jobs in England's labour market are managerial and professional occupations (See Annex A for definition) (see figure 2.1). Like the rest of the UK, this has been growing over time, and is good news for social mobility – more professional jobs mean more room at the 'top' and can help absolute mobility. England has the highest proportion of professional jobs compared to other nations, with large concentrations of these jobs in London and the south-east. The growth in professional jobs is offset by a decline in working class jobs – since 2005 the percent of working class jobs in the labour market has fallen from 34% to 29% in 2020.



**Figure 2.1:** Percentage of people in professional jobs across the labour market, in each nation of the UK



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Data refers to those in employment

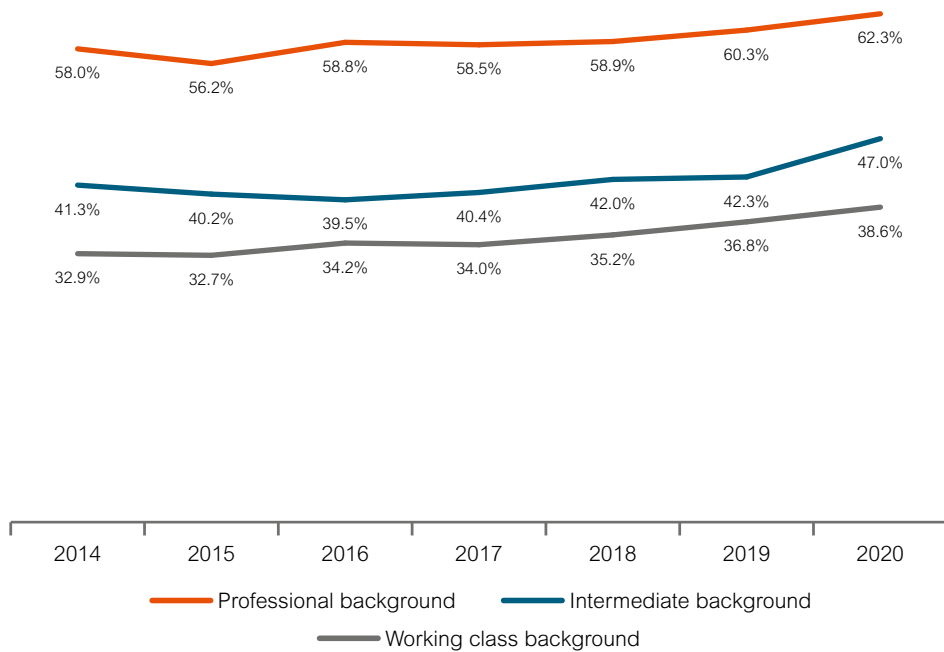
More room at the ‘top’ of the workforce can be a good thing for absolute social mobility – it can help more people access higher-paying, higher-skilled jobs. But as we noted in Chapter 1, we are highly cautious about the recent increased rise, as it’s too early to know if it will be a long-lasting trend.

It doesn’t only matter how many jobs there are, it also matters who gets into them. Like in the rest of the UK, the type of job your parents did continues to be a determining factor in the type of job you end up in. People in England from lower socio-economic backgrounds (see Technical Annex for definition) are under-represented in professional and managerial jobs and those from professional jobs are under-represented in working class jobs. 62% of those from privileged backgrounds are themselves in professional backgrounds (figure 2.2).

There are some small signs that upward mobility is slowly rising. Since 2014, the chance of someone from a working class background entering a professional occupation rose from 33% in 2014 to 39% in 2020. While this sign is encouraging, there is a big caveat. Over the same period, those from privileged backgrounds also increased their access to professional jobs (from 58% to 62%), as did those from intermediate backgrounds (from 41% to 47%). The same pattern is happening in Northern Ireland, Scotland and Wales, as discussed in Chapter 1.

So how do we explain this? A greater share of professional jobs in the labour market might be helping those from working class backgrounds to be upwardly mobile, but it is also helping those from professional backgrounds to increase their hold on these jobs. The lesson – an increased number of professional jobs doesn't automatically create more relative upwards mobility across society.

**Figure 2.2:** How likely are people from different backgrounds to be in a professional occupation in England?



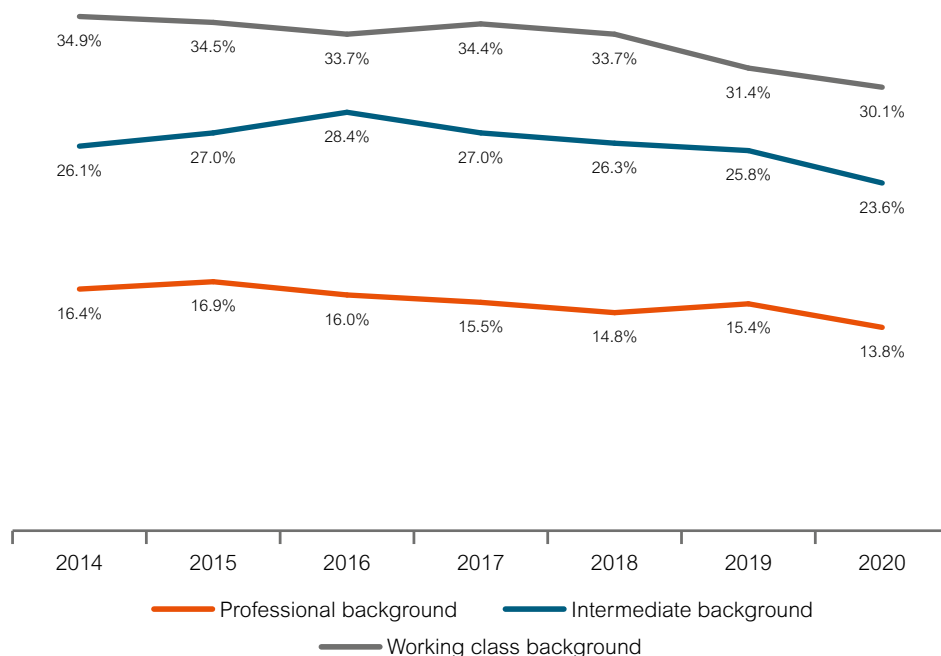
**Source:** SMC Analysis of Labour Force Survey (ONS)

**Notes:** People aged 25-60. Margin of error varies from 0.9% to 1.7% for individual statistics. See Appendix Table B2 for sample sizes and 95% confidence intervals

In England, there is very little downward mobility. Those from working class backgrounds are twice as likely as those from privileged backgrounds to be in working class jobs in England (30% and 14% respectively). The drop in 2020 for people from all backgrounds in working class jobs is likely due to working class job losses during the pandemic (see figure 2.3).

## England

**Figure 2.3:** How likely are people from different backgrounds to be in a working class occupation in England?



**Source:** SMC Analysis of Labour Force Survey, (ONS)

**Note:** Margin of error varies from 0.9% to 1.4% for individual statistics. See Appendix Table B2 for sample sizes and 95% confidence intervals

## Education

Education has been the single most important policy lever England has deployed to address social mobility, but with patchy success.

The most explicit effort to target social mobility through education was the 2017 strategy: *Unlocking Talent, Fulfilling Potential*.<sup>168</sup> Disappointingly, the plan was not fully implemented or monitored in any meaningful way. There is currently no strategic leadership or drive within the department ensuring that socio-economic disparities are effectively addressed across the span of its work and responsibilities. We think this needs to change. In this context of this absence of strategic focus, the most disadvantaged in our education system continue to leave school with lower levels of qualifications and with worse results on average.

Prior to COVID-19, there had been some encouraging progress in closing the attainment gap between poorer students and their more advantaged peers, particularly in primary school. But that progress has stalled in recent years.

<sup>168</sup> Department for Education, *Improving social mobility through education*, 2017.

The Education Policy Institute (EPI) estimates that disadvantaged students, prior to the pandemic, were 18 months behind their more advantaged peers by age 16.<sup>169</sup>

The last time we could officially measure the gap was in 2019, before COVID-19 disrupted the testing system. In this section we use two different measures: attainment and qualifications gaps. Both point in the same direction; disadvantaged students are consistently behind their more affluent peers.

Starting with the youngest pupils, at age 7 (end of Key Stage 1), disadvantaged pupils, those eligible for free school meals (FSM), had a 17% and 18% gap in reading and writing, respectively.<sup>170</sup> At GCSEs, just 45% of poorer students achieved a grade 4 or above in English and maths GCSEs compared to 72% of all others.<sup>171</sup> The more comprehensive measure at age 16, Attainment 8, confirms this gap; FSM students were 13.6 points behind other pupils (36.7 vs 50.3, respectively).<sup>172</sup> By the end of compulsory schooling, this gap manifests in lower levels of qualifications for poorer students. In 2020, almost half (49%) of disadvantaged young people left school without a Level 2 qualification (GCSE equivalent) in English and maths compared with just 22% of their peers.<sup>173</sup>

When COVID-19 hit, the attainment gap between poorer and more affluent students began to widen. By the end of the pandemic, most children in the UK will have missed over six months of in-person schooling – the equivalent of 5% of their entire time in school.<sup>174</sup> Despite the often-heroic efforts of teachers and parents, for many students it was a poor substitute for in-class learning.

The UK Government has to date announced £3.1 billion for catch-up in England, with targeted support for early years, schools and 16-19 settings.<sup>175, 176</sup> Funded initiatives include tutoring, summer schools, early language support and additional funding for schools. But this sum is far off what some estimates are calling for (between £13.5-15 billion).<sup>177, 178</sup> The UK Government's own Education Recovery Commissioner resigned in protest after the June 2021 investment of £1.4 billion, saying the spending package "betrays an undervaluation of the importance of education".<sup>179</sup> The UK Government has said that the next stage of investment will include a review of time spent in school and college and the impact this could have on helping children and young people to catch up. The findings of the review will be set out later in the year to inform the spending review.<sup>180</sup>

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<sup>169</sup> Education Policy Institute, *Measuring the disadvantage gap in 16-19 education*, 2021.

<sup>170</sup> Department for Education, *Phonics screening check and key stage 1 assessments in England*, 2019.

<sup>171</sup> Department for Education, 'KS4 national characteristics data' from 'Key stage 4 performance', *Permanent data table – Explore education statistics*, 2021.

<sup>172</sup> *Ibid.*

<sup>173</sup> Department for Education, *Level 2 and 3 attainment by young people aged 19*, 2021.

<sup>174</sup> Institute for Fiscal Studies, *The crisis in lost learning calls for a massive national policy response*, 2021.

<sup>175</sup> Department for Education, Prime Minister's Office, *Billion pound COVID-19 catch-up plan to tackle impact of lost teaching time*, 2020.

<sup>176</sup> Department for Education, *Huge expansion of tutoring in next step of education recovery*, 2021.

<sup>177</sup> Education Policy Institute, *Education recovery and resilience in England*, 2021.

<sup>178</sup> Education Policy Institute, *Analysis paper: Preliminary research findings on education recovery*, 2021.

<sup>179</sup> Guardian, *Education recovery chief quits in English schools catch-up row*, 2021.

<sup>180</sup> Hansard (UK Parliament), *Education Recovery*, 2021.

This section looks at the pre-existing socio-economic gaps in England's education offer, and the COVID-19 policy response.

## Early years (0-5)



The wealthier a child's family is, the more likely that child will start school at a good level of development (81% for the wealthiest vs. 64% for the poorest)

Early child development and education is a crucial time, and impacts on future life outcomes.<sup>181</sup> But there are clear and persistent trends – the wealthier a child's family is, the more likely that child will start school at a good level of development (81% for the wealthiest vs. 64% for the poorest – see figure 2.4). Gaps that exist at age 5 persist throughout the education system and result in worse outcomes for people from poorer backgrounds when they try to get jobs later in life. The poorest children start school 4.5 months behind all others and leave school at age 18 a staggering 18.1 months behind.<sup>182</sup> High quality and accessible early years provision is essential to ensure this development gap is closed.

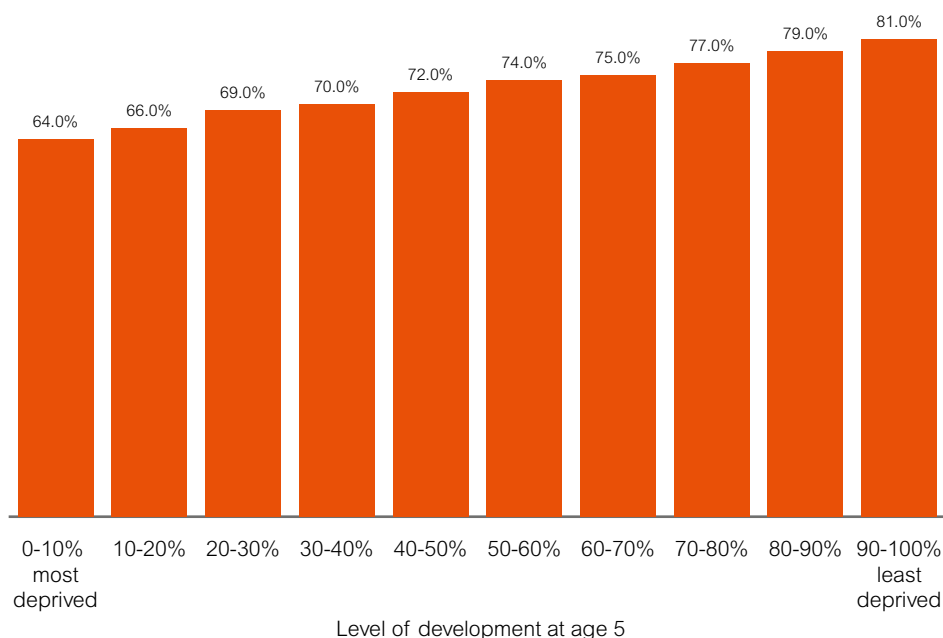


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<sup>181</sup> Centre for Educational Neuroscience, [Most learning happens within the first 3 years](#), 2020.

<sup>182</sup> Education Policy Institute, [Education in England: Annual report 2020](#), 2020.

**Figure 2.4:** Percentage of children achieving a good level of development at age 5 by decile of deprivation (IDACI) in England



**Source:** Department for Education, [Early years foundation stage profile results, 2018-19](#)

Across both national and local lockdowns, early years settings have been serving both children of essential workers and the wider population at different points. But the sector has come under huge financial pressure.

Between November 2020 and February 2021, overall attendance of children at early years settings dropped by 28% of what it was in the year before.<sup>183</sup> This meant that 72% of early years settings across England and Wales were forced into full or partial closures.<sup>184</sup> This drop in attendance was on top of an already challenging financial model. As we noted in our 2018-19 State of the Nation, government funding does not adequately cover the cost to providers, meaning settings often pass along 'extra' costs to parents.<sup>185</sup> This most impacts settings with lower income parents who cannot subsidise extra costs. Significantly, at the peak of the pandemic, financial woes experienced by early years settings disproportionately affected disadvantaged children and families. 34% of early years providers in the most disadvantaged areas in England were unsure of their future compared with 24% of the least deprived areas in more affluent areas.<sup>186</sup>

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<sup>183</sup> Education Policy Institute, [The COVID-19 pandemic and early years workforce](#), 2021.

<sup>184</sup> Ibid.

<sup>185</sup> Full Fact, [Are parents paying for free nursery places?](#), 2018.

<sup>186</sup> Sutton Trust, [COVID-19 and social mobility impact brief #4](#), 2020.



Some early years settings qualified for support the UK Government provided to businesses, but even this approach was fundamentally flawed. Early years settings are not any other business. They provide critical services to children and should be protected against market failings during economic downturns.

Prior to COVID-19, we have prominently spoken out about the poor pay, conditions and lack of recognition of the early years workforce.<sup>187, 188</sup> Too often, this workforce – which is fundamental to ensuring we build a well-educated, equal society – is viewed as ‘women’s work,’ ‘childminders’ and not considered as the educators they are. Our work found that low pay, instability and a lack of an early years strategy was leading people to leave the sector and jeopardising England’s ability to deliver high quality education equally across the country. From 2014-2020, there appeared little evidence that recent government policies aimed at improving the early years workforce had garnered much improvement for the profession.<sup>189</sup>

The sweeping effects that COVID-19 has had on early years provision in England has put further strain on an already creaking, unstable sector. One in five workers (20%) say they are considering leaving due to COVID-19-related stress or mental health concerns.<sup>190</sup> If true, this will make the sector more fragile and less attractive as a career destination.

There has seldom been a more important time to ensure the stability of early years provision.<sup>191</sup>

### Family hubs and children’s centres

The quality of a child’s home-learning environment continues to be recognised as the most significant factor in predicting a child’s educational development at age 5. Family Hubs serve as locations for integrated support services for families, with a goal of ‘overcoming difficulties and building stronger relationships’.<sup>192</sup>

#### The different types of children’s centres

There have been two waves of Sure Start. First, Sure Start local programmes were established from 1998 and targeted at the most deprived 20% of areas with an emphasis on community development. They were expanded into Sure Start Children’s Centres (SSCCs) in 2003, with greater focus on providing integrated support to families as part of a universal service. SSCCs were rolled out in three phases between 2003 and 2010 to achieve a target of 3,500 centres. In 2013, a new ‘core purpose’ shifted the focus to targeting ‘families in greatest need of support’. Funding fell by 60% between 2011-12 and 2016-17 and reduced the number of

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<sup>187</sup> Social Mobility Commission, [State of the nation 2018-19: Social mobility in Great Britain](#), 2019.

<sup>188</sup> Social Mobility Commission, [The stability of the early years workforce in England](#), 2020.

<sup>189</sup> Education Policy Institute, [Early years workforce development in England](#), 2020.

<sup>190</sup> Early Years Alliance, [One in five early years workers considering leaving the sector](#), Accessed June 2021.

<sup>191</sup> Institute for Fiscal Studies, [Challenge for the childcare market: the implications of COVID-19 for providers in England](#), 2020.

<sup>192</sup> Family Hubs Network, [What is a Family Hub?](#), 2021.

SSCCs from 3,620 in 2010 (the peak) to 2,323 in 2020.<sup>193</sup> Closures of Sure Start and Children's Centres – which have undermined outcomes for young children and their families – have been found to disproportionately impact on the outcomes of children from more disadvantaged backgrounds.<sup>194, 195</sup>

Since 2019, there has been a growing focus on Family Hubs. In November 2020, roughly 150 hubs across were registered with the Family Hubs Network.<sup>196</sup>

The original Sure Start programmes had largely positive benefits for disadvantaged families. They successfully reached the most disadvantaged families and helped improve family functioning (including the quality of parenting) alongside maternal wellbeing.<sup>197, 198</sup> They significantly reduced hospitalisations for children in primary school (so much so that the Institute for Fiscal Studies (IFS) suggested this benefit alone could offset 6% of the programme's cost).<sup>199</sup> Parents highly valued the programme (although this high regard faltered after financial cuts eroded benefits) and evaluations suggested it was an effective delivery of multi-agency services.<sup>200, 201</sup> The programme's one disappointing outcome, though, was that no improvements were identified for child development outcomes.<sup>202, 203</sup>

The new Family Hubs, aimed at providing support for children from birth to 19, have yet to be reviewed but they seem to be applying some of the lessons learned from Sure Start.<sup>204, 205</sup> Due to cuts to local authority budgets, local areas have been experimenting with delivery, including moving to digital working (which might be problematic for disadvantaged families who lack access or skills to work digitally), taking more coordinated and strategic approaches to bring in families less likely to use early childhood services, and developing multi-agency support pathways for families, including establishing clear protocols for data sharing.<sup>206, 207</sup> Many of these approaches could mean a strong and thriving offer for disadvantaged families if they are supported and expanded across the country.

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<sup>193</sup> Department for Education, Number of children's centres, 2003 to 2019, 2019.

<sup>194</sup> Local Government Association, *Children's care cash crisis: children's centres in fight for survival*, 2019.

<sup>195</sup> The Health Foundation, *Health equity in England: The Marmot review 10 years on*, 2020.

<sup>196</sup> Early Intervention Foundation, *Planning early childhood services in 2020: Learning from practice and research on children's centres and family hubs*, 2020.

<sup>197</sup> The National Evaluation of Sure Start Team, *The impact of Sure Start Local Programmes on seven year olds and their families*, 2012.

<sup>198</sup> Wong, S. and Sumsion, J., *Integrated early years services: a thematic literature review: Early years*, 2013.

<sup>199</sup> Institute for Fiscal Studies, *The health effects of Sure Start*, 2019.

<sup>200</sup> Department for Education, *The impact of children's centres: studying the effects of children's centres in promoting better outcomes for young children and their families*, 2015.

<sup>201</sup> Hall, J. S. et al., *Relationships between families' use of Sure Start Children's Centres, changes in home learning environments, and preschool behavioural disorders*, 2019.

<sup>202</sup> The National Evaluation of Sure Start Team, *The impact of Sure Start Local Programmes on seven year olds and their families*, 2012.

<sup>203</sup> Wong, S. and Sumsion, J., *Integrated early years services: a thematic literature review: Early years*, 2013.

<sup>204</sup> HM Treasury, *Budget 2020. Delivering on our promises to the British people*, 2020.

<sup>205</sup> Lewing, B., et al., *Planning early childhood services in 2020: Learning from practice and research on children's centres and family hubs*, 2020.

<sup>206</sup> Early Intervention Foundation, *Children's centres and family hubs: complementary visions*, 2020.

<sup>207</sup> Lewing, B. et al., *Planning early childhood services in 2020: Learning from practice and research on children's centres and family hubs*, 2020.

## Schools (5-18)

Lockdown transformed the education system – and not in disadvantaged students' favour. Learning loss has disproportionately affected disadvantaged students, who in general lacked access to digital infrastructure, had less face-to-face time with teachers, did not have quiet or sufficient spaces to work, and were less likely to have degree-qualified parents to help guide their learning at home.<sup>208, 209, 210</sup> Additionally, they were less likely to have additional support such as tutoring or subscription education services, which more advantaged families could provide.



Early reports from the autumn 2020 term show disadvantaged pupils in primary school are now seven months behind their more advantaged peers in total

Early reports from the autumn 2020 term show disadvantaged pupils in primary school are now seven months behind their more advantaged peers in total.<sup>211</sup> In primary and secondary school, COVID-19 has increased the pre-existing gap by 0.5-1 months more for disadvantaged students just by the autumn term.<sup>212, 213</sup>

But these figures only show the gap by the autumn 2020 term. Data is not yet available beyond that, and it is likely that this gap could grow larger due to further lockdowns. Even the smaller of these figures is the equivalent to erasing between a third and two-thirds of the last decade's progress on closing the educational attainment gap.<sup>214</sup> The Education Endowment Foundation has warned that schools should anticipate wider gaps between students by socio-economic background and that lockdowns may reverse all of the progress we have made in the last decade on closing the attainment gap.<sup>215, 216</sup>

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<sup>208</sup> Institute for Fiscal Studies, [Family time use and home learning during the COVID-19 lockdown](#), 2020.

<sup>209</sup> Education Endowment Foundation, [Impact of school closures on the attainment gap: Rapid evidence assessment](#), 2020.

<sup>210</sup> The DELVE Initiative, [Balancing the risks of pupils returning to schools](#), 2020.

<sup>211</sup> Education Endowment Foundation, [Impact of school closures and subsequent support strategies on attainment and socio-economic wellbeing in Key Stage 1: Interim paper 1](#), 2021.

<sup>212</sup> Department for Education, [Understanding progress in the 2020 to 2021 academic year: Complete findings from the autumn term](#), 2021.

<sup>213</sup> Education Endowment Foundation, [Impact of school closures and subsequent support strategies on attainment and socio-economic wellbeing in Key Stage 1: Interim paper 1](#), 2021.

<sup>214</sup> Department for Education, [Understanding progress in the 2020/21 academic year, Complete findings from the autumn term](#), 2021.

<sup>215</sup> Education Endowment Foundation, [Best evidence on impact of COVID-19 on pupil attainment](#), 2021.

<sup>216</sup> Education Endowment Foundation, [Chief executive's letter: COVID-19 has created the test of a generation](#), 2020.



Schools with higher rates of disadvantaged pupils suffered greater losses. Specifically, the north-east and Yorkshire and the Humber had more than double the learning loss in the south-west (equivalent to 2.3-2.6 months of lost learning)

Learning loss has not been spread equally across regions. Schools with higher rates of disadvantaged pupils suffered greater losses.<sup>217</sup> Regions such as the north-east and Yorkshire and the Humber had more than double the learning loss than the south-west (equivalent to 2.3-2.6 months of lost learning).<sup>218</sup>

In developing its recovery efforts further, part of the DfE's focus must go towards solving two major weaknesses of the educational system that COVID-19 has exposed: lack of flexibility and funding.

## Funding

There is no way around it; good quality teachers are critical to raising pupils' attainment.<sup>219</sup> Schools in the most deprived areas outside London are far less likely than schools in affluent areas to employ teachers with a relevant degree, a proxy for teacher quality.<sup>220</sup> This is particularly the case in some STEM subjects where, outside London, 51% of maths teachers have a relevant degree in the most affluent areas, compared to 37% of teachers in the most deprived areas.<sup>221</sup>

Retaining good teachers costs money and evidence shows that targeted disadvantaged funding, which could help schools do this, has fallen in recent years.<sup>222</sup> The UK Government has introduced a new national funding formula which is more responsive to changes in pupil demographics and consistent across England, but analysis finds that the new formula delivers greater increases to more affluent pupils.<sup>223, 224, 225</sup>

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<sup>217</sup> Department for Education, [Understanding progress in the 2020/21 academic year, Complete findings from the autumn term, 2021](#).

<sup>218</sup> Ibid.

<sup>219</sup> Hanushek et al., [Generalizations about using value-added measures of teacher quality, 2010](#).

<sup>220</sup> Education Policy Institute, [The teacher labour market in England, 2018](#).

<sup>221</sup> Ibid.

<sup>222</sup> Institute for Fiscal Studies, [2020 Annual report on education spending in England: schools, 2020](#).

<sup>223</sup> Education Policy Institute, [The national funding formula: Consideration of better targeting to disadvantaged pupils, 2021](#).

<sup>224</sup> Education Policy Institute, [School funding and the disadvantage gap at the local level, 2020](#).

<sup>225</sup> The Guardian, [Funding for deprived schools in England has shifted to wealthy areas, study finds, 2021](#)



Pupils living in persistent poverty (who have spent more than 80% of their time in school on Free School Meals) are a shocking 22.7 months behind non-disadvantaged pupils on average

Pupils living in persistent poverty (who have spent more than 80% of their time in school on Free School Meals) are a shocking 22.7 months behind non-disadvantaged pupils on average.<sup>226</sup> There is a strong case for reviewing whether funding formulas should be targeted to those pupils living in persistent poverty.<sup>227</sup> This is particularly important in light of COVID-19. Disadvantaged pupils will not recover their learning loss overnight and education funding mechanisms must reflect the sustained and targeted support this group will need in perpetuity.

## Further education (ages 16-24)

Technical education, mainly delivered within Further Education Colleges, is the unsung hero of social mobility. Yet the sector is under-resourced, over-balanced with disadvantaged students and tasked with catching students up on basic academic qualifications (primarily English and maths) while also administering high quality trade-based courses.<sup>228</sup> FE is the last point at which many disadvantaged students achieve their final qualification before entering the labour market.

In 2021, the Department for Education released an FE white paper to position the sector as a leader for skills and post-COVID-19 recovery. This white paper had encouraging signs and is laudable for its ambition to create a truly equitable technical education track. But it fell short in a number of critical ways.

First and most importantly, due to delays in the UK Government's spending review process, the white paper was published without any significant funding investment – without Treasury's backing, the white paper is largely symbolic. We applaud the announcements that were made, such as the £95 million for the Lifetime Skills Guarantee and the £43 million for Skills Bootcamps.<sup>229</sup> However, in our 2018-19 State of the Nation, we called on government to raise the base rate of funding.<sup>230, 231</sup> While this was raised by 4.7% as part of the UK Government's package of £400 million in 2019 for 16-18 education, this fell far short of what the sector needs.<sup>232, 233, 234</sup>

<sup>226</sup> Education Policy Institute, *Education in England: Annual Report 2020*, 2020.

<sup>227</sup> Gorard S., *A cautionary note on measuring pupil premium attainment gap in England*, 2016.

<sup>228</sup> Social Mobility Commission, *State of the nation 2018-19: Social mobility in Great Britain*, 2019.

<sup>229</sup> Department for Education and Department for Work and Pensions, *Hundreds of free qualifications on offer to boost skills and jobs*, 2021.

<sup>230</sup> Social Mobility Commission, *State of the nation 2018-19: Social mobility in Great Britain*, 2019.

<sup>231</sup> Department for Education, *Funding boost for construction skills bootcamps*, 2021.

<sup>232</sup> HM Treasury and Department for Education, *Chancellor announces £400 million investment for 16-19 year olds' education*, 2019.

<sup>233</sup> Institute for Fiscal Studies, *2020 Annual report on education spending in England: schools*, 2020.

<sup>234</sup> In cash terms, the allocation of £190m from the package of investment meant an uplift of 4.7% in the 16-18 base rate.

Second, the white paper exhibited siloed ways of working. This paper could have been the opportunity for meaningful strategic vision across DfE, the Department for Work and Pensions (who oversee Job Centre Plus referrals and adult training programmes), and the Department for Business, Energy and Industrial Strategy (who oversee industrial growth, of which skills gaps is a crucial component). Neither department is mentioned even in passing (though we acknowledge an illustrative case study from a Job Centre) – a significant omission at a time when Job Centre Plus visits are soaring and retraining is critical for adults in declining sectors.

Within FE delivery, COVID-19 has had other impacts. Increasingly, programmes within FE rely on work experience, including the mandatory 45-day work experience placement for T Levels. It is all but certain that the pandemic has significantly reduced the value of this opportunity and has had particular impact on disadvantaged students who already lacked access and networks to high quality work experience.

We welcome the UK Government's response to this by announcing, earlier in May, the T Level Employer Incentive Scheme, where employers will be eligible to claim a £1,000 payment for hosting a T Level industry placement that commences between 27 May 2021-31st July 2022. However, this remains a short-term initiative and fails to adopt a targeted approach or extra consideration for disadvantaged learners who face further barriers to get placements.

### **16-19 student premium**

A 16-19 Student Premium is a relatively easy and effective way to address disadvantage gaps and address COVID-19-caused learning loss. Our rationale is simple. Government and schools need a way to target resources to students most impacted by the pandemic, whose needs are most acute (because they will soon transition to a new phase of education or work) and who are at the stage of their education where it will have the most impact on their future life chances. Schools need flexibility to adapt to their own contexts, while government needs to ensure there is accountability for public money. A Student Premium achieves all of this.

We currently have an Early Years Premium and a Pupil Premium, and we support students in higher education from low-income households. It is a bizarre quirk of the education system that we assume disadvantage disappears between ages 16-19. Although current 16-19 disadvantage block funding helps to address some of the costs associated with studying (travel, equipment, etc), it simply was not designed to address the attainment gap. A Student Premium would build on evidence-backed gains made by the Pupil Premium to close attainment gaps and will balance flexibility with accountability.

## Higher education (ages 18+)

Higher education has long been the bedrock of an individual's chances of upward mobility. Participation in higher education delivers benefits for individuals and societies, and the global labour market increasingly demands a degree as a necessary prerequisite for higher-skilled jobs. Over the last few decades, more and more young people are accessing university – but the key question is the extent to which ambitions to increase participation are working. This section will look at HE admissions policies, data quality and HE institutions as employers.

Before the pandemic, there was a 19 percentage point gap in access by socio-economic background (45% of non-FSM students vs 26% FSM students in 2018-19). This is the largest the gap has been for more than a decade. In other words, the more educationally advantaged a child's background, the more likely they are to go to university, and the more likely they are to go to the top third of HE institutions by UCAS entry tariff.<sup>235</sup> COVID-19 has further exacerbated this gap; around 30% of disadvantaged students report they are less able to afford to study because of the pandemic.<sup>236</sup>

## Improving the measurement of disadvantage in HE

Underlying all efforts to improve access to HE is a critical question – how to assess whether a potential student is disadvantaged?

Universities have long used a measure called POLAR quintiles to answer this question. But this measure is fundamentally flawed. POLAR quintiles split people into five groups, based on geographic areas, rather than individuals' circumstances. This means that a poorer kid living in a leafy area could be mistakenly labelled as privileged (or vice versa). Recent research from the Sutton Trust has shown how badly this measure correlates with low family income (scoring just 0.22 on Pearson correlation, compared to a high score of 0.69 for number of years on free school meals).<sup>237</sup>

We want to encourage universities, the Office for Students and UCAS to move away from sole use of this measure. We recognise that there is some benefit in tracking uptake of HE places from areas that are historically underserved but think that institutions should consider the findings of the Sutton Trust's recent research that suggests that ACORN and the Index of Multiple Deprivation are higher quality area measures.

To further strengthen universities' understanding of the actual socio-economic background of their student body, we recommend use of both the 'years eligible for Free School Meal measure' and for universities to ask for applicants' parental occupation. Parental occupation is one of the best ways to assess someone's socio-economic background – it is the measure we use throughout our reports and the one we tell employers to use. Including this measure will allow universities a more accurate way to

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<sup>235</sup> Department for Education, [Widening participation in higher education, academic year 2018/19](#), Accessed June 2021.

<sup>236</sup> The Sutton Trust, [COVID-19 and social mobility impact brief #2: university access and student finance](#), 2020.

<sup>237</sup> The Sutton Trust, [Measuring disadvantage](#), 2021.

measure the socio-economic background of the entire student body. Further, it has the added benefit of enabling employers to directly understand how to target recruitment efforts to institutions with high populations of low socio-economic background students.

### Applications

Faced with a renegade algorithm in 2020, it was clear that higher education institutions couldn't follow the typical pattern of holding placements based on predicted grades.<sup>238</sup>

There is good evidence that this practice should become the status quo, post-COVID-19. Predictive grades are wildly inaccurate across the board; research shows over 80% of predictions are inaccurate.<sup>239</sup> High achieving disadvantaged young people are slightly more likely to be under-predicted than their more privileged peers, which could threaten their ability to be placed at higher tariff universities (24% of high achieving disadvantaged students were under-predicted vs. 20% of similar privileged students).<sup>240</sup>

Higher education institutions and regulators have expressed concern over the phasing out of predictive grades due to the delay in awarding admissions placements.<sup>241, 242</sup> This concern is surmountable. Faced with pandemic-caused disruption in 2021, schools and universities planned on condensing exams into a three-week period. This was possible in part due to efficiency gains we have made in our examination system (such as virtual marking). Additionally, exams could be moved earlier in the school year to ensure actual grades can be used in applications. This could create an added benefit – currently, students leave school four to six weeks before the end of term. With earlier exams, schools could keep students in school to focus on employability and life skills (e.g. CV writing, budgeting etc.).

But predictive grades are just one side of the story. Disadvantaged young people often undermatch their own ability, choosing institutions and courses that are less selective than their grades would otherwise allow.<sup>243, 244</sup> This is likely to have consequences for their outcomes following graduation and for social mobility more widely.<sup>245</sup> The Commission has shown that disadvantaged young people undermatch their post-16 course choice.<sup>246</sup> Students facing disadvantage start thinking about university later, and are more likely to report regretting that they didn't have the right A level choices to study subjects such as medicine.<sup>247</sup> More must be done to determine how to give adequate careers information, advice and guidance, and proactive engagement from universities to recruit disadvantaged students into more selective courses.

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<sup>238</sup> BBC, [A-levels and GCSEs: U-turn as teacher estimates to be used for exam results](#), Accessed June 2021.

<sup>239</sup> University College London, [Predicted grades: Accuracy and impact](#), 2016.

<sup>240</sup> Ibid.

<sup>241</sup> Ofqual, [Post qualifications admissions consultation response](#), 2021.

<sup>242</sup> Institute for Fiscal Studies, [Post qualification admissions and the tale of two \(and a half\) models](#), 2021.

<sup>243</sup> Campbell, S. et al., [Mismatch in higher education: prevalence, drivers and outcomes](#), 2019.

<sup>244</sup> Department for Education, [Progression to higher education or training, Academic Year 2018/19](#), Accessed June 2021.

<sup>245</sup> Ibid.

<sup>246</sup> Social Mobility Commission, [The road not taken: drivers of course selection](#), 2021.

<sup>247</sup> The Universities and Colleges Admissions, [What next? What influences the choices school leavers make?](#), 2020.



## Socio-economic diversity in the HE workforce

In many locations around the country, HE institutions are anchor institutions for their communities. They help develop a regional skills base, drive economic growth and social mobility, improve health and education outcomes and support their local communities.<sup>248</sup> But in our experience, HE institutions have resisted thinking about their own role in promoting socio-economic diversity and inclusion. Despite the valiant effort and focus on widening participation for their student body, very little has been done to consider how their own workforce practices could drive social mobility.

The Commission launched a thriving programme of work with employers in 2020. As part of that effort, we work with employers large and small to provide advice, toolkits, training materials, case studies and more to drive best practice.<sup>249</sup> Universities are notably underrepresented in this conversation. As a first step, universities should follow the lead of other public sector bodies, like the Civil Service, and dozens of private sector entities; they should ask and report on their workforce's socio-economic background using parental occupation as the key question.<sup>250</sup>



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<sup>248</sup> Higher Education Policy Institute, [Making universities matter: How higher education can help to heal a divided Britain](#), 2020.

<sup>249</sup> Social Mobility Commission, [Toolkit for socio-economic diversity and inclusion](#), Accessed June 2021.

<sup>250</sup> Social Mobility Commission, [Measurement](#), Accessed June 2021.

## Case study

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### Amran Hassan, 21

**Amran Hassan, a 21-year-old psychology student from London, was working in hospitality at a stadium when COVID-19 brought things to an abrupt stop.**



*“That job was really big for me, because it was casual so I could do it alongside my education and studies.”*

Amran was told she was no longer needed.

*“They said they’d let us know, but there hasn’t been any work since. That job helped me a lot with my personal life and going out with my friends, and now that’s been stopped too. I enjoyed working, meeting new people, seeing work colleagues.”*

Amran, who lives at home with her family, couldn’t find other part-time work, so is now working full-time alongside her psychology degree.

*“My student loan isn’t enough, so I’ve had to start working 40 hours a week in a warehouse. It’s the only thing that’s come up. Because I’m the oldest child in a low-income family, I’ve taken on responsibility for some bills and helping with rent. Small things like the internet bill. We do get a student loan, but it’s not enough.”*

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COVID-19 has had an impact on Amran's studies too.

*"It affected me because I'm a learner where I love to ask for help. I want a teacher there telling me what's right for me and where did I go wrong, and that really affected me because I couldn't get that virtually."*

She found learning remotely challenging in general.

*"I did struggle with time management around March and April, when we had our coursework deadline, and at the end of the school year. At university, we used to have lecturers, small sessions with seven or eight people, and drop-in clinics where you could ask the teacher any questions."*

Since COVID, they have completely stopped. Now they do it all over video. It affected everyone, but some people more than others. I think I was one of those people. I love to hear the teacher talk. And get feedback.

Job-finding also comes with extra difficulties.

*"Right now, I'm in the process of applying to graduate schemes. We were getting trained for the application process to be in person and obviously now everything's virtual. Things have to be approached differently and we didn't get taught that way."*

Despite this, Amran is determined to push on with her career plans.

*"Because of the effects of COVID-19 psychologists are needed more than ever, but that's not the route I want to go. I wanted to work for a council in the public sector – that's my plan. I was thinking of becoming a teacher."*

## Employment

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The COVID-19 pandemic has had a profound effect on people's working lives in England and the impacts could be severe. In this section, we look at pre-pandemic employment trends, the unequal impact of lockdown and the long-term implications for social mobility.

During the 2010s, there were a number of positive developments in the labour market in England. Unemployment rates fell sharply from a peak of 8.5% in 2011 to 4% in 2019.<sup>251</sup> Employment had risen to record levels and, as the labour market tightened, greater numbers of less advantaged people were able to secure work, contributing to a fall in the disability employment gap and some narrowing in ethnic employment gaps. The introduction of the National Living Wage in 2016 boosted the wages of the lowest paid and led to a reduction in earnings inequality in the lower half of the distribution.<sup>252</sup>

However, the 2010s was a disappointing period for wage growth, labour productivity, precarious work and in-work poverty.<sup>253</sup> In addition, regional disparities in unemployment and low pay remained entrenched.



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<sup>251</sup> Office for National Statistics, [Labour market overview, UK: April 2021](#), 2021.

<sup>252</sup> Centre for Analysis of Social Exclusion, [The national living wage and falling earnings inequality](#), 2020.

<sup>253</sup> Centre for Analysis of Social Exclusion and London School of Economics, [The conservative governments' record on social policy from May 2015 to pre-COVID-19 2020: Policies, spending and outcomes](#), 2021.



### Where is deprivation geographically located?

We tend to see more income-deprived neighbourhoods in urban areas, including in Greater London, around Birmingham, and in the north-east; however, there are also deprived areas outside of urban centres, including in coastal towns like Great Yarmouth, Hastings and Blackpool.<sup>254</sup> Within local authorities, there are sometimes significant divides, such as in Wirral, Middlesbrough, Blackpool and Birmingham, and those with the highest income deprivation often have the greatest internal disparities.<sup>255</sup> We found deprived areas with limited opportunities adjacent to more affluent areas with greater opportunities throughout England. Areas with lower pay for disadvantaged sons and less equality of opportunity are typically more deprived, with lower house prices, fewer labour market opportunities in professional occupations and fewer education opportunities in ‘Outstanding’ schools.

Our own work has shown how people experience life in very different ways within places – for example, our report on geographic inequalities showed even some affluent areas like Chiltern had significant class pay gaps and poor outcomes from their working class residents.<sup>256</sup> One in six local authorities (50 LAs) has both low pay for disadvantaged sons and large pay gaps in adulthood between sons from disadvantaged and more affluent families. These areas stretch across England: there is unequivocally a postcode lottery for social mobility across England.

We will continue to monitor how initiatives such as the Town’s Fund, Opportunity Areas and the UK Shared Prosperity Fund, set up to replace structural funding from the EU, will benefit areas of England which face some of these challenges.

Despite the gains mentioned above, inequalities in employment and pay by disability and ethnicity remained stubbornly high. The downward trend in young people not in employment, education or training (NEET) levelled off after 2016, and the number of vacancies fell after 2018 following a period of growth from 2010.<sup>257</sup>

Towards the end of the decade, and on the eve of the COVID-19 pandemic, there were signs that progress was stalling.<sup>258</sup> The Bank of England’s January 2020 Monetary Policy Report noted a “softening” in a number of labour market indicators despite record levels of employment.<sup>259</sup>

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<sup>254</sup> Office for National Statistics, [Exploring local income deprivation](#), 2021.

<sup>255</sup> Ibid.

<sup>256</sup> Social Mobility Commission, [Long shadow of deprivation: differences in opportunities](#), 2020.

<sup>257</sup> Centre for Analysis of Social Exclusion and London School of Economics, [The conservative governments’ record on social policy from May 2015 to pre-COVID-19 2020: Policies, spending and outcomes](#), 2021.

<sup>258</sup> Ibid.

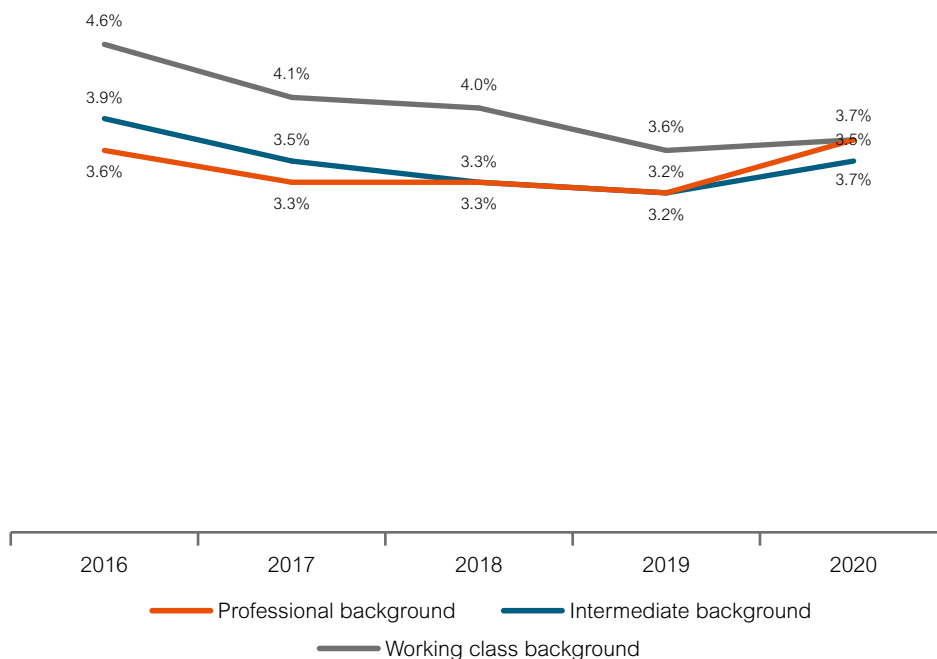
<sup>259</sup> Bank of England, [The Monetary Policy Report January 2020](#), 2020.

## How the pandemic shaped jobs

When lockdown first arrived, unemployment was a significant risk. Yet, while unemployment has risen since March 2020, the increase has been much smaller than anticipated due in large part to the UK Governments' response to the crisis. Comparing employment statistics in the three months before the first lockdown with a year later shows that employment in England fell by 1.5 percentage points and unemployment increased by 1 percentage point over the course of the year. This leaves England with the lowest rates of unemployment in the UK, with Scotland close behind (see Chapter 1).

Much larger falls in employment occurred in London (2.3 percentage points) and the south-west of England (2.2 percentage points).<sup>260</sup> The unemployment rate in England is currently 5% (7.2% in London). Prior to COVID-19, unemployment was falling fastest for those from low socio-economic backgrounds, who made up the highest proportion of the unemployed, but early 2020 data shows pandemic-related unemployment is fairly equally distributed by socio-economic background (see figure 2.5, which shows a three-year moving average for sample size purposes).

**Figure 2.5:** Unemployment rate by socio-economic background in England (three year moving average)



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Notes:** People age 16 to 64 Margin of error varies from 0.3% to 0.5% for individual statistics. See Appendix Table B3 for sample sizes and 95% confidence intervals. Those who are on the Coronavirus Job Retention Scheme (furlough) are not classed as unemployed and so are not included in this chart

<sup>260</sup> Office for National Statistics, [Labour market overview, UK](#), Accessed June 2021.

## England

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This better-than-expected performance during the pandemic is largely due to the impact of two drivers. First and foremost, the Coronavirus Job Retention Scheme (CJRS) and the Self-Employed Income Support Scheme (SEISS), have been very effective (for more, see Chapter 1). When CJRS comes to an end in September 2021, though, many more workers risk losing their jobs. Those in working class jobs are most at risk, as they are overly represented in the scheme. Since these jobs are predominantly held by those from working class backgrounds, there could be a significant socio-economic disparity in unemployment in the near future. Second, young people are staying on in education or are withdrawing from the labour market and are therefore not captured in unemployment statistics.



## Case study

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### Andrea Evans, 30

**Andrea Evans, 30, from Liverpool, was working as a cleaner at a local university and volunteering at a National Trust property when lockdown hit.**



*“I was really active, really busy. Always on the go.”*

But after lockdown began, her asthma and fibromyalgia meant she had to shield, and she was unable to continue at her job.

*“Everything stopped for me. Work. The lot. And I could only exercise for an hour a day. This caused my health issues to kick off.”*

Although Andrea tried to remain active, it was difficult to exercise in a one-bedroom flat.

*“I’ve had the biggest flare-up ever since my diagnosis. And I put on about four stone. Now I have to lose the weight so we can carry on with our IVF journey, which also got halted because of the lockdown.”*

The flare-up compromised Andrea’s ability to walk, and she now uses mobility aids full time.



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For me, as long as I have a routine and I'm active I'm fairly okay, although I still struggle. When it kicks off, I end up needing to use a walking stick. I live in a tiny one-bed flat and even walking round that leaves me breathless. It's frustrating. I'm at the point where I'd expect to be in my seventies in my thirties.

Andrea was on furlough initially, but her worsening health problems meant she was unable to return to work when the lockdown eased and, after a period on sick pay, is now on unpaid leave.

*“The fact we’re still not fully opened up means I’ve not been able to rehabilitate or get back to my normal. The main struggle is not being able to go home or exercise in the way I would normally to keep my health under control.”*

Andrea remains concerned about protecting herself from COVID-19.

*“Basically, we’re still trying to keep me safe because I know how my body reacts to illness. Even just a cold can knock me off my feet and it takes me a while to recover. I know that if I end up with COVID-19 I will end up in hospital because of my asthma and the pneumonia I’ve had multiple times in the past.”*

But she is also concerned about the impact lockdown and its effect on her health issues has had on her ability to work.

*“My employer has been amazing. They were furloughing people and trying to keep us safe, but it’s not that easy – especially if you’ve got staff with health problems.”*

In response to COVID-19, the UK Government announced a new three-year scheme in England and Wales which will provide Universal Credit claimants who have been out of work for between 12 to 18 months, enhanced support to find jobs. The Restart Scheme has been allocated £2.9 billion to deliver tailored support for individuals on a pay-per-outcome basis.<sup>261</sup>

Youth unemployment began to climb post-COVID-19. England has utilised the Kickstart Scheme to help address this (see Chapter 1), along with a youth employment programme and an expansion of traineeships, among other initiatives.<sup>262</sup>

### Apprenticeships

The majority of apprentices are not from lower socio-economic backgrounds. Perhaps this is an obvious statement, but policymakers and employers alike often talk about this route to employment as if it is an incontestable social mobility tool helping the disadvantaged. This is not the case. Before the pandemic began, the Commission's work had exposed how the apprenticeship programme in England was failing to deliver on its potential for those from working class backgrounds.<sup>263</sup> Poorer apprentices were less likely to get onto schemes and were more likely to be clustered in lower returning and lower-level apprenticeships than their peers from higher socio-economic backgrounds.<sup>264</sup> Disadvantaged apprentices face gaps at literally every stage of the system – from access to levy funding, quality to attainment and progression to pay. The only silver lining was that, when apprentices from poorer backgrounds overcome all of these barriers, they receive a bigger boost to their wages than their more advantaged peers.

On the eve of the pandemic, the patterns we identified were already worsening for disadvantaged students. In February 2020, the overall number of starts in 2019-20 was already 10% lower than the number of starts in the same period of 2018-19 (both from August to February).<sup>265</sup> The decline was concentrated at Levels 2 and 3, which disadvantaged learners were most likely to be clustered in. Moreover, levy-funded starts – which disadvantaged learners are less likely to benefit from – represented two thirds of all new starts in the first seven months of 2019-20 (compared to 56% in 2018-19).<sup>266</sup>

So with these worrying factors already in play, COVID-19 hit. Apprenticeship starts dropped 7% in the first half of the 2019-20 academic year. By May 2020, that number was set to fall further with almost one in four employers stating that fewer than 50% of their apprentices would resume once economic restrictions had relaxed.<sup>267</sup> 31% of employers reported that they were likely to hire fewer apprentices over the coming

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<sup>261</sup> Department for Work and Pensions, [How the Restart scheme will work](#), 2020.

<sup>262</sup> Department for Work and Pensions, [Guidance: help to find work for Universal Credit claimants aged 18 to 24](#), 2021.

<sup>263</sup> Social Mobility Commission, [Apprenticeships and social mobility: Fulfilling potential](#), 2020.

<sup>264</sup> Social Mobility Commission, [State of the nation 2018-19: Social mobility in Great Britain](#), 2019.

<sup>265</sup> Department for Education, [Apprenticeships and traineeships: April 2020](#), 2021.

<sup>266</sup> *Ibid.*

<sup>267</sup> The Sutton Trust, [COVID-19 and social mobility impact brief #3: Apprenticeships](#), 2020.

year, or none at all.<sup>268</sup> Younger apprentices from lower socio-economic backgrounds were particularly likely to have been in sectors which saw apprenticeship declines, for example the hospitality sector.

The pandemic has further exacerbated the pre-existing trend towards higher apprenticeships (with higher apprenticeships rising from 18% of starts from August to January in 2018-19 to 32% in the same period in 2020-21), further reducing opportunities for learners from low socio-economic backgrounds who are less likely to be on these courses.<sup>269</sup>



What remains evident is the lack of monitoring data needed to provide further analysis, both across the sector and with regional insight, of the full impact of COVID-19 on apprenticeships. The Commission welcomed the UK Government's announcement in the 2020 Summer Statement to introduce incentive payments for employers for hiring new apprentices – initially £2,000 for apprentices between 16 and 24 and £1,500 for those over the age of 25 – and agree with the subsequent decisions to increase the incentive to £3,000 following significant low take up.<sup>270</sup> Although the UK Government had budgeted for 100,000 incentive payments for new apprenticeship hires, DfE data showed that just over half of that allocation had been taken up, before the decision to extend the scheme was taken.<sup>271, 272</sup> We urge the UK Government to go further with the aims of this scheme and leverage it, not merely as a stop-gap in response to COVID-19, but as a tool to address the persistently disadvantaged gaps in higher level apprenticeships.

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<sup>268</sup> Ibid.

<sup>269</sup> Department for Education, [Apprenticeships and traineeships: Academic year 2020/21](#), 2021.

<sup>270</sup> Department for Education, [Incentive payments for hiring a new apprentice](#), 2021.

<sup>271</sup> Department for Education, [Apprenticeships and traineeships, Academic year 2020/21](#), Accessed June 2021.

<sup>272</sup> HM Treasury, [Plan for jobs](#), 2020.

### Connecting employers with NEET adults

Since the beginning of the pandemic, apprenticeship starts have fallen by 50%, and those still being provided are predominantly going to people from privileged backgrounds. The move to remote work accelerated the need to create virtual work experience programmes to make sure that young people who are not in education, employment or training (NEET) across the UK could continue to benefit from opportunities to improve their technical and employability skills and access mentors remotely.



Accenture has provided work placements and job opportunities for young people who are NEET since 2014. To continue to reach those from under-privileged backgrounds, the firm rolled out a one week virtual ‘tech-taster’ programme – aimed at this demographic and designed to be inclusive – which offered an introduction to their ‘Innovation Centre’.

Through a series of virtual team sessions and self-directed learning sessions, participants were exposed to coding, design thinking, and key employability skills (such as presentation skills, team working, mock interviews and CV workshops). Each of the 15 participants was provided with the necessary technology and support to complete the programme, including a laptop and a dongle to ensure that they were able to access the internet during the week, regardless of personal circumstances.

One individual commented,

*“To be a part of it, even for just one virtual week feels amazing...you have made it work so well! I know future participants for this scheme will definitely enjoy it!”*

Successful participants of the programme were fast-tracked to Accenture’s Assessment Centres for open apprenticeship roles, which led to 28% of participants securing offers for the firm’s Newcastle-based apprenticeship. Based on the success of this pilot, a further 75 participants from across the UK have taken part in virtual taster weeks. Accenture has captured the learnings in their virtual work experience toolkit and used them to support other employers to virtualise their own programmes with inclusion in mind.

## Adult training and skills

Apprenticeships are one tool among many to help adults upskill. We have focused extensively on how those from lower socio-economic backgrounds are the least likely to access training or education after leaving school – but also how good quality training can help adults escape low paid jobs.<sup>273, 274</sup> We've shown how the UK's lack of investment in adult education (both from the UK Government and employers) is harming 'second chances' and contributing to skills gaps. And, we have released behavioural insights-backed tools for employers to increase how training and progression is allocated to low-skilled, frontline workers. Based on this knowledge and insight, we provided extensive evidence to the In-Work Progression Commission's call for evidence which we hope mirrors our recommendations to the UK Government.<sup>275, 276</sup>

The most important recommendation we had given to the UK Government on this area was this: ensure good quality, high-returning, free and flexible offers are available to adults at Level 3 and below. That is why we were particularly pleased when DfE responded with its announcement of a new Lifetime Skills Guarantee. This guarantee gives all adults without a current Level 3 the ability to get one for free. It promises degrees of flexibility and attempts to help target courses that return labour market returns.

We have given the UK Government further advice on how to shape this offer for success – for example, by providing maintenance grants for associated non-learning costs and using behavioural insights research (like ours) and other methods to inspire, support low skilled workers to progress up from foundation levels to the Level 3 offer, and consider specific, targeted support for the groups our research found are most at risk of becoming stuck in low pay.<sup>277</sup>

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<sup>273</sup> Social Mobility Commission, [Adult skills gap and the falling investment in adults with low qualifications](#), 2019.

<sup>274</sup> Social Mobility Commission, [Learning ladders: adult training and progression out of low pay](#), 2020.

<sup>275</sup> Social Mobility Commission, [Increasing in-work training and progression for frontline workers](#), 2020.

<sup>276</sup> UK Parliament, [DWP commission: Statement made on 16 March 2020](#), 2020.

<sup>277</sup> Social Mobility Commission, [Learning ladders: adult training and progression out of low pay](#), 2020.

## Child poverty, inequality and social security

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Child poverty is inextricably linked to low levels of social mobility. Children who are exposed to poverty have worse health, education, development and ultimately, worse outcomes in the labour market compared to more affluent children.<sup>278, 279, 280, 281, 282, 283</sup> No other country in the world that performs well on social mobility also has high rates of poverty and inequality.

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<sup>278</sup> Cooper, K., and Stewart, K., [Does household income affect children's outcomes? A systematic review of the evidence](#), 2020.

<sup>279</sup> Duncan, G.J. et al., [Economic deprivation and early childhood development](#), 1994.

<sup>280</sup> Economic and Social Research Council, [Economic deprivation and early childhood development](#), 2000.

<sup>281</sup> Bradshaw J., [Child poverty and child outcomes](#), 2002.

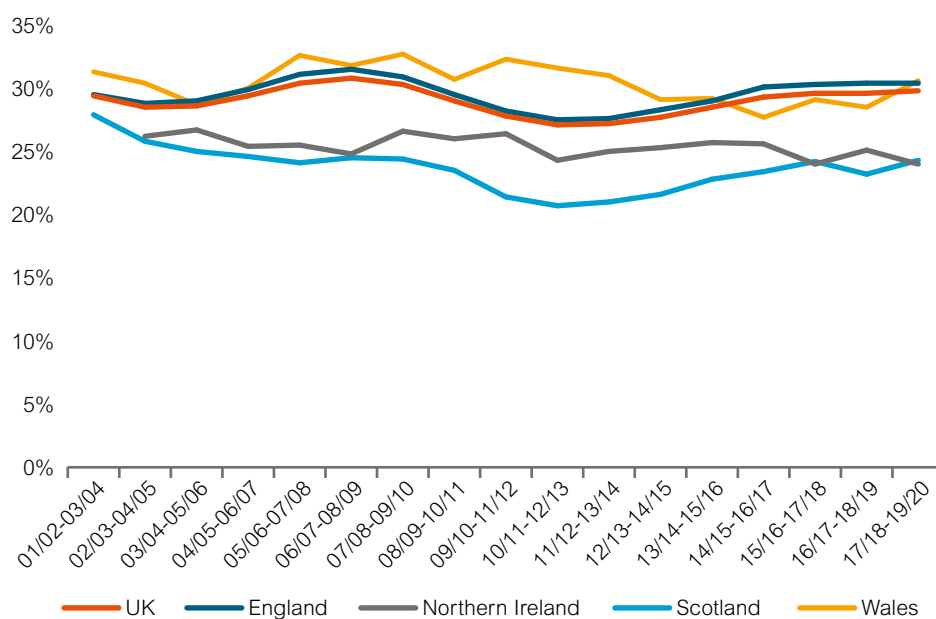
<sup>282</sup> Joseph Rowntree Foundation, [The Costs of Child poverty on individuals and society](#), 2008.

<sup>283</sup> The organisation for Economic Co-operation and Development, [A broken social elevator? how to promote social mobility](#), 2018.

# England

In England, child poverty has remained high for many years, leaving the country with effectively the joint highest rate in the United Kingdom (England is at 30.4%, Wales at 30.6% - see figure 2.6). Prior to the pandemic, there were no signs to show that poverty rates were improving and these are expected to further worsen due to COVID-19 impacts.<sup>284</sup>

**Figure 2.6:** Percentage of children in relative poverty (after housing costs, three year averages)



**Source:** Department for Work and Pensions, [Households Below Average Income statistics](#), 2021

**Note:** This is based on a poverty line defined as 60% of the contemporary median after deducting housing costs

## Where is child poverty concentrated?

In all regions of England, more than one in five children are living in relative poverty (see figure 2.7). This rises to more than a third of children in Yorkshire and the Humber, the West Midlands, the north-east and London.

London consistently ranks as the region with the highest rates of poverty, driven in large part by the high cost of housing (indeed, London's 'before housing costs,' one measure of poverty, track closely with England's average). This housing costs issue means that in-work poverty rates are also particularly high in London, where more than one in five working households live in poverty.<sup>285</sup> Interestingly, in the five-year period following the financial crisis, the fall in child poverty was much less pronounced in London than in many other English regions. Despite London's consistent concentration of poverty,

<sup>284</sup> Department for Work & Pensions, [Households below average income: an analysis of the income distribution FYE 1995 to FYE 2020](#), Accessed June 2021.

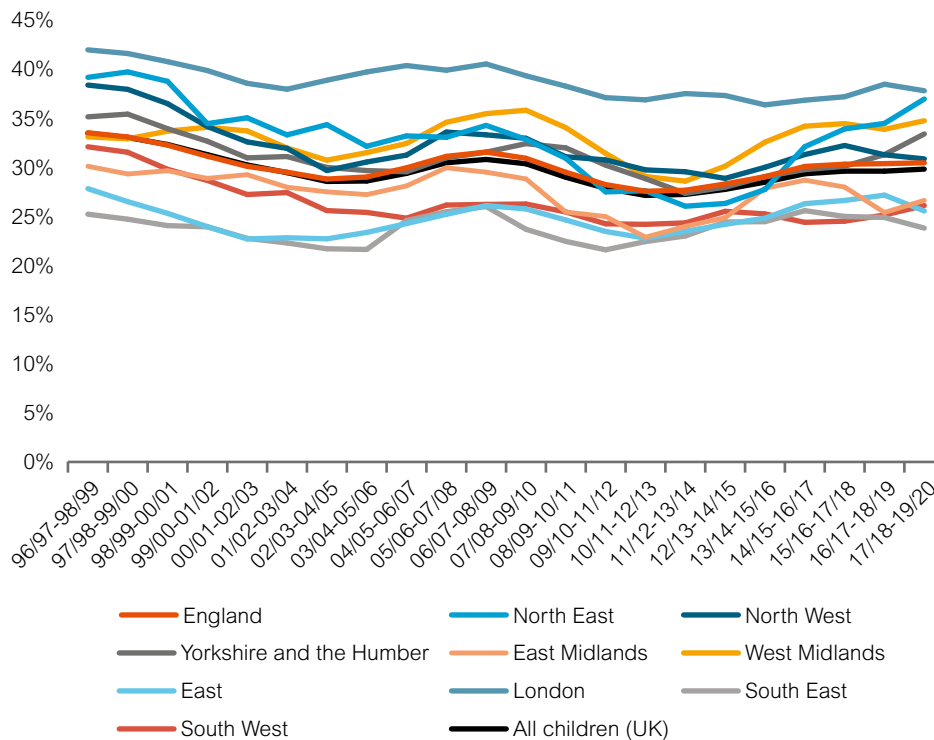
<sup>285</sup> Institute for Public Policy Research, [No longer 'managing': The rise of working poverty and fixing Britain's broken social settlement](#), 2021.

neighbouring south-east England is consistently the best performer of the nation, with still around a quarter of children in poverty. These massive geographical divides show important inequalities in the country.

Children living in the north of England have contrasting fortunes. In the north-east, despite a 15-year drop between 1997-2013, child poverty rates have risen sharply by around 11 percentage points in little more than five years and are once again close to the rates observed in London. In contrast, the north-west outperformed, falling after 2015-16 and 2016-18.<sup>286</sup>

The West Midlands is another region where child poverty has risen since 2010 (in 1997-98 child poverty rates in the West Midlands were the same as the England average). In contrast, the East Midlands has one of the lowest rates of child poverty across English regions.

**Figure 2.7:** Child income poverty rates (after housing costs) UK, England and by English regions – 1996-97 and 1998-99 to 2017-18 and 2019-20 (three-year moving averages)



**Source:** Department for Work and Pensions, [Households Below Average Income statistics](#), 2021

**Notes:** Figures are for the United Kingdom from 2002-03 to 2004-05 onwards. Earlier years are for England, Scotland, Wales only. The all children figures here are three-year averages and are therefore not directly comparable with the totals in the main tables. See Technical Annex B for further methodological notes

<sup>286</sup> End Child Poverty, [Child poverty in your area 2014/15-2019/20](#), Accessed June 2021.



### The Starting Point Community Learning Partnership

**The Starting Point Community Learning Partnership in Stockport is a social enterprise and coffee shop that works to promote health and wellbeing, community organising and digital inclusion.**



Over the past year, because of the pandemic taking so much of life online, digital inclusion has been a particular focus.

Community organiser Nicola Wallace Dean says the events of 2020 exposed the digital divide like never before.

*“We had one person in our community who had COPD (Chronic Obstructive Pulmonary Disease). He was classified as vulnerable and not allowed to leave the house. He had no access to his bank account, no access to food and no credit on his phone as he’d always topped up at the Post Office. He had to hold a piece of paper up to our window, asking one of the organisers to phone and help. That shouldn’t be the only way someone can contact the outside world.”*

Nicola says the pandemic has also worsened digital inequality in the workplace – from people in “low-paid, no-rights jobs” who aren’t supported by their employers to buy the equipment they need to work efficiently from home; to people who found themselves employed but lacking the technical know-how to work for online companies like Deliveroo. “It put a massive chasm in the middle of society between those online and those not.”

She has also spoken to people struggling to buy food.

*“It’s not just a case of supporting people how to go online shopping; it’s the fact they’ve not got debit cards to be able to do that in the first place. The huge amounts of barriers people have to overcome that other people take for granted are phenomenal. If it hadn’t been for the local mutual aid group, I genuinely don’t know how some people would have been able to get shopping.”*

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Starting Point has seen others with bad credit, and therefore reliant on pay-as-you-go internet contracts, being charged as much as £30 a week to stay in touch with family.

*“For us that was a huge issue. We were constantly hearing about people running out of data. We heard of people getting sanctioned by the job centre because they were running out of data mid-month and so couldn’t regularly look for work.”*

Home-schooling was another bone of contention.

It was laughable to think some people in our community were going to be able to home school for a variety of reasons, but actually it’s not laughable: it’s tragic.

Starting Point tackles these issues by running regular digital skills classes over Zoom; operating a lending library of 300 devices; and running coffee mornings staffed by digital champions, and well as campaigning on the issue of digital poverty.

We’re trying to encourage telecoms companies to support people who are in crisis. We know as a small organisation why, for some people, data needs to be free.



## How has policy tackled this?

Leading up to the pandemic, poverty rates were soaring not by chance but by choice. A decade of aggressive fiscal consolidation, coupled with welfare reforms, have left England with large cuts to benefits and tax credits.

The UK Government's approach was built on a principle that work alleviates poverty, and that a smaller welfare bill – £10 billion smaller in England, Scotland and Wales, in fact – supported post-recession recovery.<sup>287</sup> But this approach is flawed. Work is an individual measure of income, while poverty is a household measure. Individuals most at risk of poverty – single parents, multi-child households, those with long-term disabilities – simply could not offset the massive reduction to their household finances. Put another way, rises in the minimum wage could not offset cuts to the benefits system and the poorest households were squeezed on every front.

In stark contrast to Northern Ireland, Scotland and Wales, England has no official poverty or child poverty reduction strategy. This is despite a commitment made in all three Conservative party manifestos from 2015 to reduce child poverty.<sup>288</sup> We cannot say whether this alone has led to England's poor performance, but it certainly will not help it improve.

Significantly, legislative changes rolled back key elements that should form a strategy, such as the Welfare Reform and Work Act replacing the Child Poverty Act in 2016. The Act removed all income and material deprivation-based indicators and child poverty reduction targets and replaced them with indicators of household 'worklessness' and children's educational attainment at age 16.<sup>289</sup> Amendments from the House of Lords ensured that the UK Government must still publish the scrapped measures annually, but formal reporting to Parliament now sidesteps direct measures of child poverty.<sup>290</sup>

It is still too early to assess the impact of the pandemic on poverty using official statistics, but it is clear that COVID-19 has had an uneven impact on household finances, with disadvantaged groups losing out compared to more advantaged households. With an unprecedented uplift in Universal Credit claimants, England relied on the UK-wide £20 per week uplift to benefits (discussed more in Chapter 1). As across the UK, there are significant risks of rising rates of poverty if this uplift expires in autumn as planned.<sup>291</sup>

All the signs are that poverty will increase in the years ahead. During COVID-19, the UK Government has shown it has the ability to address these monumental challenges and address crises with action. Recovery must now focus on our growing poverty crisis to avert poor outcomes for a generation of children.

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<sup>287</sup> Centre for Analysis of Social Exclusion and London School of Economics, [The conservative governments' record on social policy from May 2015 to pre-COVID-19 2020: Policies, spending and outcomes](#), 2021.

<sup>288</sup> Ibid.

<sup>289</sup> Stewart, K., and Roberts, N., [Child poverty measurement in the UK: Assessing support for the downgrading of income-based poverty measures](#), 2019.

<sup>290</sup> Ibid.

<sup>291</sup> Joseph Roundtree Foundation, [Keep the lifeline: why the Government should keep the £20 uplift to Universal Credit](#), 2020.

## Living standards, wealth and housing

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Living standards not only matter because of their propulsive power to improve future upwards mobility and to protect against economic shocks, but also because of the emotional, wellbeing and general improvements to quality-of-life higher living standards bring.<sup>292, 293</sup> In other words, we care not just about the type of job or income a person has but how they feel.

### Living standards and intergenerational unfairness

In any recession, living standards, wealth and assets will swing. But this recession had unique features that have severe consequences. Stamp duty holidays (in England and Northern Ireland) and low interest rates allowed better-off households to increase their assets in the property market, helped by their growing savings accounts (accumulated over the lockdown months with nowhere to spend).<sup>294</sup> Due to the differentiated impact on working class and professional jobs, income inequality is likely to increase, while younger people have faced disrupted schooling and a tougher job market.<sup>295</sup> Meanwhile, the pandemic had an uneven impact on other groups. Emergency policy measures (like the Coronavirus Job Retention Scheme and benefit uplifts discussed earlier) have helped to protect many from plummeting income, but the socio-economic inequalities have still taken shape. (For more, see Chapter 1.)

Pre-pandemic, living standards varied across England and there remains a broad north-south divide. In 2020, median income was highest in London and lowest in the north-east.<sup>296</sup>

### Wealth

Parental wealth in England had been increasing for younger generations and is very unequally distributed.<sup>297</sup> Transfers of wealth between generations contributes to high rates of wealth inequality and, even prior to the pandemic, unequal inheritances were projected to increasingly limit social mobility prospects for people from lower wealth backgrounds.<sup>298</sup> In particular, the increasing size of inheritances received by individuals from wealthier family backgrounds are set to increasingly limit prospects of upward mobility for those from poorer backgrounds.<sup>299</sup>

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<sup>292</sup> Office for National Statistics, [Personal and economic well-being in the UK](#), 2021.

<sup>293</sup> Institute for Fiscal Studies, [Inheritances and inequality over the life cycle](#), 2021.

<sup>294</sup> Bank of England, [How has COVID-19 affected household savings?](#), 2020.

<sup>295</sup> Institute for Fiscal Studies, [Inequalities in education, skills and incomes in the UK: The implications of the COVID-19 pandemic](#), 2021.

<sup>296</sup> Department for Work and Pensions, [Apprenticeships and traineeships, Academic year 2020/21](#), Accessed June 2021.

<sup>297</sup> Institute for Fiscal Studies, [Inheritances and inequality within generations](#), 2020.

<sup>298</sup> Palomino, J.C. et al., [Wealth inequality, intergenerational transfers and socio-economic background](#), 2020.

<sup>299</sup> Institute for Fiscal Studies, [Inheritances and inequality over the life cycle: What will they mean for younger generations?](#), 2021.

## Conclusions

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England faces a profound uphill battle to improve the socio-economic disparities that lead to poor social mobility. Child poverty is high, generational and socio-economic divides in living standards are widening, outcomes are tied to the place you grew up for too many and stubborn educational attainment gaps are growing. All of this was true before an unprecedented pandemic caused the largest shockwave in a century and will certainly get worse. Things will not improve without purposive action.

But there is still room for change. The UK Government's response to COVID-19 was laudable and focused on raising welfare payments, keeping workers paid through the Coronavirus Job Retention Scheme, keeping schools open and keeping people in their homes, without the threat of eviction. These priorities are set against the pre-pandemic backdrop of rises in the National Living Wage, a growth in professional jobs which can allow more people to be upwardly mobile, and the UK Government's new focus on geographic and socio-economic inequalities in the Cabinet Office's Equality Hub. Levelling up could help tie these threads together by focusing on inequalities that people experience in the places they live. But these issues will not be solved without concerted, focused and funded efforts. We urge the UK Government to focus the next stage of the pandemic recovery to create a more fair and equal society.



Social Mobility  
Commission

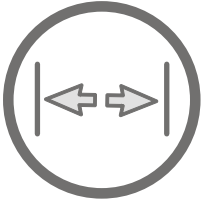
# Northern Ireland



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## Highlights

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Significant gaps in school attainment exist between free school meal-eligible and non-eligible pupils; these gaps are larger at Level 2 for boys (30.6 percentage points) than for girls (27.7 percentage points) and larger for disadvantaged Protestant pupils (33.1 percentage points) than for disadvantaged Catholic pupils (27.1 percentage points). COVID-19 will likely widen existing gaps.



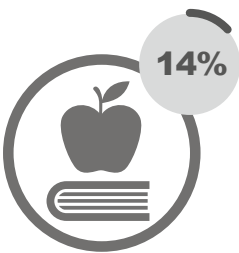
Northern Ireland's unique post-conflict circumstances exacerbate socio-economic deprivation; securing the peace and tackling paramilitarism are essential but draw a lot of policy focus and resources, making it harder to set and pursue bold programmes such as improving social mobility.



Qualification levels, wages, proportion of high-paid jobs, rate of job creation and new start-up growth are all lower in Northern Ireland than the UK average; one quarter of jobs pay less than the real Living Wage of £9.30.



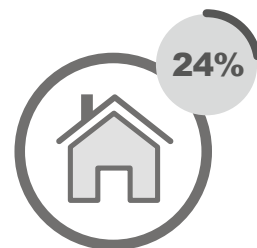
Northern Ireland's economy is heavily reliant on sectors such as agri-food, retail and hospitality, which have been hardest hit by COVID-19 and face the most uncertain recovery.



The grammar school system impedes social mobility, as places disproportionately go to children from more advantaged backgrounds; 44% of children attend selective post-primary schools, but only 14% of pupils in selective schools are eligible for free school meals (compared to 37% in non-selective).



The proportion of professional jobs has increased creating potential opportunity for social mobility, but the rate is lower than in the rest of the UK (42% vs 49%). Those from professional backgrounds are 80% more likely to be in those jobs than those from working class backgrounds.



Almost one-quarter (24%) of children in Northern Ireland live in a household that, on income levels alone, struggles to provide the basics of heat, food and clothing or meet childcare costs, although NI is doing better than England.

## Introduction

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**Since partition in 1921, Northern Ireland (NI) has been beset by political tensions.** These escalated into an intense period of conflict known as the Troubles, which lasted from the late 1960s until the paramilitary ceasefires of 1994 and the historic Belfast (Good Friday) Agreement of 10 April 1998. An estimated 3,636 people died during this period.<sup>300</sup>

While there has been no significant resumption of violence since then, the Troubles continue to cast a dark shadow over the population. The Commission for Victims and Survivors in Northern Ireland reported that around 500,000 people, from a population of 1.9 million, feel their lives have been profoundly impacted by the conflict.<sup>301</sup>

Political tensions remain. For three of the past five years, Northern Ireland had no Executive after a bitter dispute between the two largest political parties – the Democratic Unionist Party and Sinn Féin – over a renewable heat incentive scheme in January 2017.



### Devolved powers in Northern Ireland

The Northern Ireland Assembly, sometimes referred to as Stormont, has full legislative powers over several policy areas vital for social mobility, including health, social services, early years, education, housing, social security, child support and equal opportunities. In contrast to Scotland and Wales, income tax remains overseen by the UK Government. The Northern Ireland Executive is responsible for issues of equality, poverty and community relations.

### How has Northern Ireland addressed social mobility historically?

Community division continues to affect many areas of life, particularly housing and education. The political system, which involves a cross-community power-sharing coalition of the five main parties in government, is still evolving; it has faced difficulties building consensus on major policy issues and delivering strong programme interventions.<sup>302</sup> Like in other nations, the COVID-19 pandemic and lockdowns have affected all aspects of life in Northern Ireland.

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<sup>300</sup> McKittrick, D., et al., Lost lives: The stories of the men, women and children who died as a result of the Northern Ireland Troubles, 1999.

<sup>301</sup> Commission for Victims and Survivors Northern Ireland (CVSNI), Victims' and survivors' service and comprehensive needs assessment, 2011.

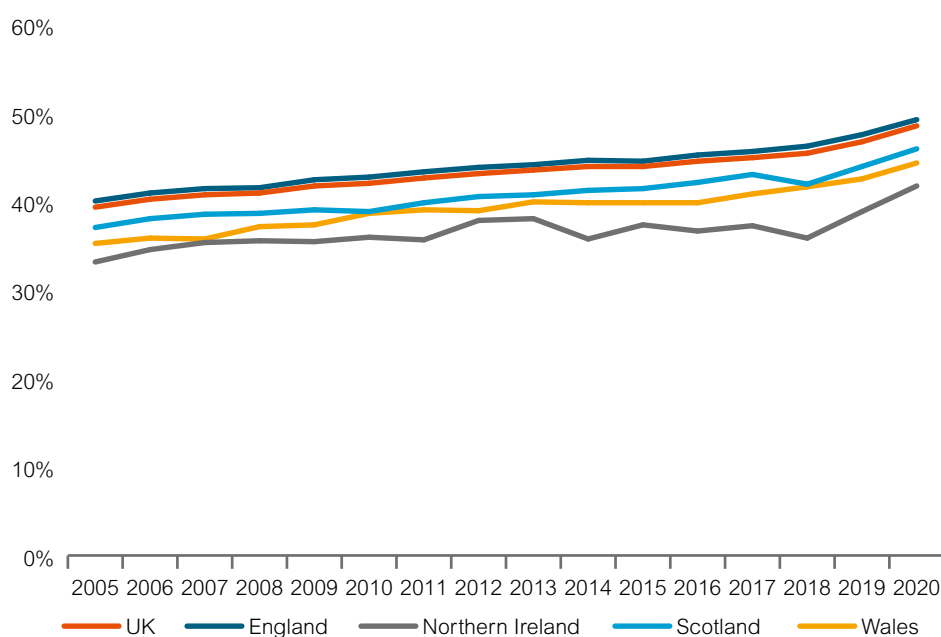
<sup>302</sup> Equality Commission for Northern Ireland, Equality Commission for Northern Ireland, Accessed June 2021.



## Trends in social mobility in Northern Ireland

Northern Ireland has consistently had a lower proportion of professional jobs in the labour market when compared to the other UK nations (see figure 3.1). Conversely, Northern Ireland has one of the highest rates of working class jobs when compared to the UK as a whole (33% and 29% respectively).

**Figure 3.1:** Percentage of people in professional jobs across the labour market, in each nation of the UK



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Data refers to those in employment

In a socially mobile society, each occupational group – working class, intermediate and professional – would be made up of people from different socio-economic backgrounds in similar proportions to the make-up of the workforce as a whole. But that is not the case in Northern Ireland.

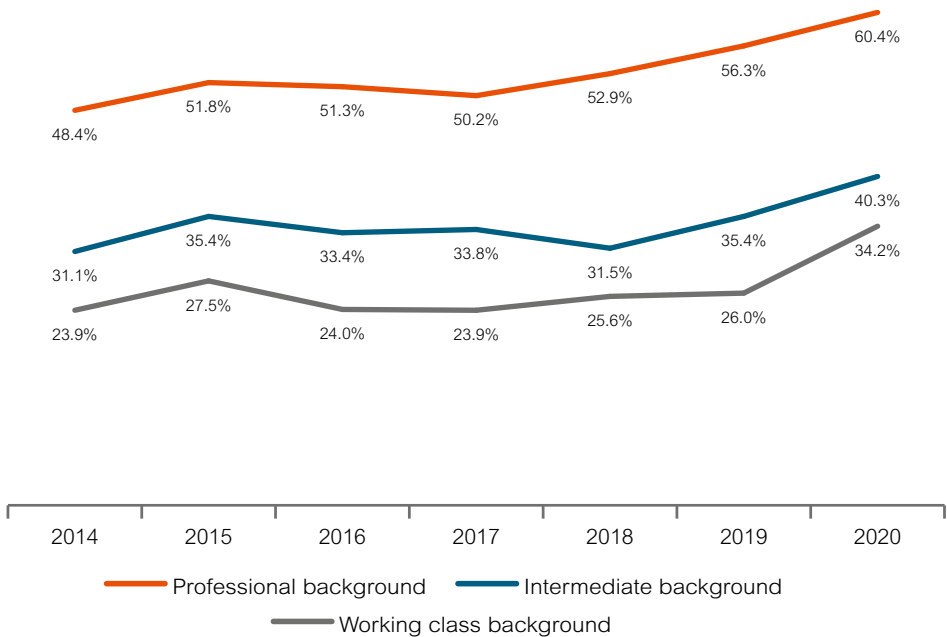
The percentage of those in professional occupations in Northern Ireland who are also from professional backgrounds is similar to that of the UK overall (60% vs. 62% respectively). Like the other parts of the UK, Northern Ireland has seen a modest recent rise in the proportion of people from working-class backgrounds in professional jobs. This could be a sign of upward absolute mobility, as more people access better-paying jobs. But those from professional backgrounds also saw a rise in access to professional jobs. In other words, it could be that there are more professional jobs than before, but the proportion of people from working class backgrounds accessing those jobs has not increased significantly.



Privileged people are now 80% more likely than those from working class backgrounds to be in professional occupations

Privileged people are now 80% more likely than those from working class backgrounds to be in professional occupations; this is down slightly from about twice as likely in 2014 and 2015 (see figure 3.2).

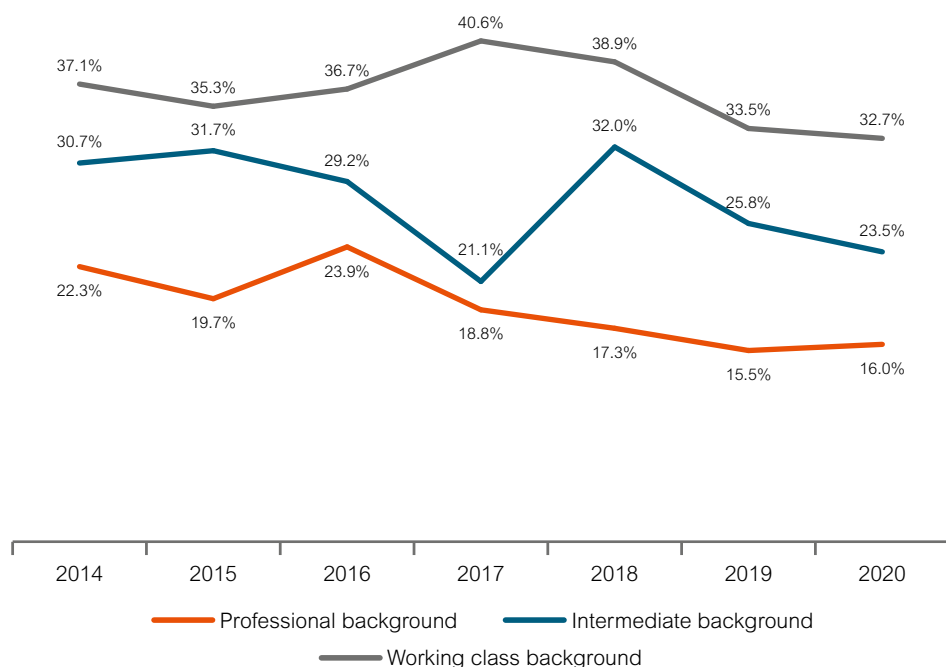
**Figure 3.2:** How likely are people from different backgrounds to be in a professional occupation in Northern Ireland?



**Source:** SMC Analysis of Labour Force Survey (ONS)  
**Note:** Margin of error varies from 2.8% to 7.1% for individual statistics, so individual changes should be interpreted with caution. See Appendix Table B2 for sample sizes and 95% confidence intervals

An individual in Northern Ireland from a working class background is about twice as likely as someone from a professional background to be in a working class job. The picture is similar to that of the UK overall: 33% of individuals in working class occupations are from working class backgrounds (the UK-wide figure is 31%), while 16% are from professional backgrounds (UK-wide: 14%) (see figure 3.3).

**Figure 3.3:** How likely are people from different backgrounds to be in a working class occupation in Northern Ireland?



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Margin of error varies from 2.8% to 5.9% for individual statistics, so individual changes should be interpreted with caution. See Appendix Table B1 for sample sizes and 95% confidence intervals

In the remainder of this chapter, we look at how these trends play out in the specific domains of education, employment and poverty.

## Education

The school system in Northern Ireland has two characteristics that mark it out from the rest of the UK.

First, schools remain largely denominational: most children attend either Catholic maintained or (predominantly Protestant) controlled schools, with a small minority (almost 25,000, 7% of the school population) attending formally integrated schools. The Irish-medium school sector has grown rapidly over the past 20 years and now has over 7,000 pupils – 2% of the school population.<sup>303</sup>

<sup>303</sup> Department for Education, School enrolments - Northern Ireland summary data, 2021.

44% of children attend selective and 56% attend non-selective post-primary schools.



Second, Northern Ireland still has a grammar school system, with academic selection at age 11 in most areas; 44% of children attend selective and 56% attend non-selective post-primary schools. Social mobility through education is therefore dependent for many on the outcome of the transfer tests, which children from disadvantaged backgrounds are less likely to succeed in.

Issues of educational inequality and social mobility are therefore often seen through the lens of community differences, parental choice and equality of opportunity in accessing the desired post-primary educational setting. Since the Northern Ireland Executive was established, numerous initiatives have been developed to address educational underachievement, which was identified first with Catholic and now with Protestant working class boys in particular. A recent report by an Expert Panel on educational underachievement (a 'New Decade, New Approach' commitment) was endorsed by the Northern Ireland Executive on 27 May 2021.

## Early years education and care

Early years education has a positive impact on the life chances of children from disadvantaged backgrounds, and closing the achievement gap between children from different backgrounds is important for social mobility.<sup>304, 305</sup>

Northern Ireland has recognised this with several major initiatives:

- Since 1998, all children have received at least one year of funded pre-school education.<sup>306</sup> Before the pandemic, almost 24,000 children (92% of three-year-olds) were in funded pre-school education.<sup>307</sup>
- The Northern Ireland Department of Education (DE) invests just over £25 million each year in Sure Start, a targeted programme for children under four and parents living in the 25% most socially deprived areas, supporting speech, language and communication skills to assist learning.<sup>308</sup>
- The cross-departmental Early Intervention Transformation programme (EITP) ran until 2019, (when it became a mainstream programme) aiming to improve outcomes for specific groups of children, young people and families. Atlantic Philanthropies and the Northern Ireland Executive have invested £30 million over a six-year period (2014-2020) in this programme.<sup>309</sup>
- Enhancing play and leisure opportunities is a key outcome of the Executive's new Children and Young People's Strategy 2020-2030 to improve the wellbeing of children and young people in Northern Ireland, building on DE's commitment to a Play Matters campaign.<sup>310</sup>

Despite these initiatives, the quality of provision and outcomes is varied for particular groups of learners, such as children entitled to free school meals (FSM), those with special educational needs, newcomers to Northern Ireland, looked-after children and boys.<sup>311</sup> There is evidence that a degree-level qualification in early years education has improved the capacity of some early years staff, suggesting Northern Ireland may benefit from similar lessons we have concluded about developing the early years workforce in England.<sup>312, 313</sup>

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<sup>304</sup> Department for Education, Early education use and child outcomes up to age 3, 2017.

<sup>305</sup> Save the Children, Education and Child Protection: Tackling Poverty, 2017.

<sup>306</sup> Department for Education in Northern Ireland and Department of Health, Social Services and Public Safety, Investing in early learning, 1998.

<sup>307</sup> Education Policy Institute, A comparison of school institutions and policies across the UK. 2021.

<sup>308</sup> Education and Training Inspectorate, Sure Start evaluation report, 2018.

<sup>309</sup> Health and Social Care Northern Ireland, The early intervention transformation programme, 2019.

<sup>310</sup> Department of Education, Play matters, Accessed June 2021.

<sup>311</sup> Education and Training Inspectorate, The Chief Inspector's report, 2018.

<sup>312</sup> Ibid.

<sup>313</sup> Social Mobility Commission, The stability of the early years workforce in England, 2020.

Despite the success of Sure Start in Northern Ireland, the initiative is heavily oversubscribed and is only available to the 25% most socially deprived areas.<sup>314</sup> As a result, many children under three, including those living in poverty, cannot access and benefit from these quality services.<sup>315</sup> The evaluation also highlights that almost all of the projects are at a very early stage of developing meaningful self-evaluation for improvement, and there is insufficient communication and partnership working between Sure Start projects, pre-schools and schools.<sup>316</sup>



Common mood disorders such as anxiety and depression affect 12.6% of children and young people in Northern Ireland – around 25% higher than in other UK nations

Common mood disorders such as anxiety and depression affect 12.6% of children and young people in Northern Ireland – around 25% higher than in other UK nations. Emotional problems are particularly common among boys aged 5-10, especially in the most deprived quintile.<sup>317</sup> This suggests a possible need to focus on mental health support in schools.

Evidence shows a strong association between child poverty and poorer cognitive and language outcomes on entry to primary school, and this disadvantage gap persists throughout school.<sup>318</sup> An expert panel appointed by the NI Minister of Education has prioritised investment in early years education and care from before birth to age six as the way forward to addressing this gap.<sup>319</sup>

The pandemic has had a significant impact on Northern Ireland's youngest children. Although childcare remained open and pre-school education provision remained open for vulnerable children and those of key workers, other children of pre-school age accessed pre-school education via remote learning until pre-school settings re-opened on 8 March 2021. While losing access to face to face early education is likely to have affected all young children, its impact on those from more disadvantaged backgrounds may be even more significant, widening existing learning gaps.<sup>320</sup>

The COVID-19 restrictions also resulted in closures of playgrounds and public parks. The loss of access to outdoor play can be hugely detrimental to a child's healthy development.<sup>321</sup> During lockdown, the percentages of school-aged children active in play dropped from 53.2% to 31.4% and participation in social play decreased

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<sup>314</sup> Education and Training Inspectorate, SureStart evaluation report, 2018.

<sup>315</sup> Save the Children, Tackling the poverty-related gap in early childhood learning in Northern Ireland, 2017.

<sup>316</sup> Education and Training Inspectorate, SureStart evaluation report, 2018.

<sup>317</sup> Bunting, L. et al., Youth wellbeing, 2020

<sup>318</sup> Save the Children, Tackling the poverty-related gap in early childhood learning in Northern Ireland, 2017.

<sup>319</sup> Department of Education, Expert panel on persistent educational underachievement linked to social disadvantage, 2021.

<sup>320</sup> Centre for Research in Education Underachievement, Understanding parents' experiences of home-schooling in Northern Ireland, 2020.

<sup>321</sup> Bento, G. and Dias, G., The importance of outdoor play for young children's healthy development, 2017.

dramatically from 58.9% to 5%, while technology-based play increased from 33.9% to 55.7%.<sup>322</sup> This lack of physical activity and socialisation raises significant health and wellbeing concerns, and the need for playful experiences and interactions may be more important than ever after lockdown.<sup>323</sup>

Recent surveying suggests most early years teachers (58.6%) believe that children's levels of engagement, social skills and ability to stay on task have been impacted negatively following COVID-19 restrictions and that children's levels of anxiety have increased, with constant reassurance required on the part of staff to encourage some children to try out new things and engage in play.<sup>324</sup> DE guidance issued in March 2021 prioritises play and socialisation, with the emphasis on reassuring children and parents and supporting children to reconnect and build positive relationships.

### Schools

Concerns about the inappropriateness of the traditional curriculum, particularly for those from disadvantaged backgrounds, led to a pilot play-based intervention, the 'Enriched Curriculum', which was introduced in over 100 primary school settings throughout Northern Ireland.<sup>325</sup> This ran until 2009 and was replaced by the revised Northern Ireland curriculum which was introduced for all schools in 2007. The curriculum is designed to give schools as much flexibility as possible in what they choose to teach and to use approaches that best suit the needs of their pupils. Throughout, there is a stronger emphasis on preparing young people for life and work.

The Northern Ireland Curriculum includes a separate Foundation Stage Curriculum for pupils in Years 1 (age 4-5) and 2 (age 5-6) of their primary education. The overarching aim of the Foundation Stage is that children learn through well-planned, challenging play that develops their interests, curiosity and creativity according to their individual age and stage of development. The key principle underpinning the Foundation Stage Curriculum is that young children learn best when learning is interactive, practical and enjoyable. Nurture Units are another area of support for primary school children.

Education providers in Northern Ireland have to demonstrate their contribution to progress on the Executive's priority indicators, as part of its commitment to evidence-based policy. The most relevant to social mobility is the attainment gap. It demonstrates persistent educational underachievement among socio-economically disadvantaged pupils.

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<sup>322</sup> Playboard Northern Ireland, The impact of COVID-19 on children and young people's play and education in Northern Ireland, 2020.

<sup>323</sup> Centre for Educational Underachievement, Life after lockdown in the early years classroom: Embracing challenges as opportunities, Accessed June 2020.

<sup>324</sup> Playboard Northern Ireland, COVID-19 restrictions impacting children's play, 2020.

<sup>325</sup> Walsh, G. et al., Implementing a play-based and developmentally appropriate curriculum in Northern Ireland primary schools: what lessons have we learned?, 2010.

## Northern Ireland

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Since 2005, the gap between those eligible for FSM and others is generally improving. However, significant divides remain. Figure 3.4 shows that boys eligible for FSM are achieving lower grades on average than FSM eligible girls. Although pupils of Catholic and Protestant backgrounds achieve similar grades on average, we can see from figure 3.5 that the attainment gap between Protestant pupils eligible for FSM and those who are not is wider than the equivalent gap for Catholics. This does not mean that achievement is not an issue for Catholic pupils.

**Figure 3.4:** Gap between % non-FSM school leavers and % FSM school leavers achieving at Level 2 or above including English and maths, by gender

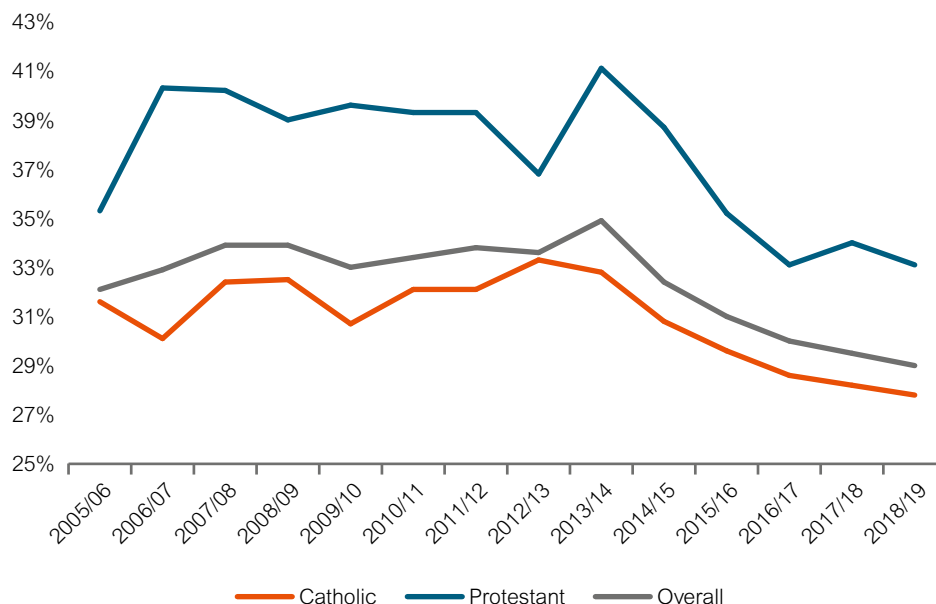


**Source:** The Executive Office, Indicator 12 data, 2020

**Note:** Data stops at 2018-19 due to the cancellation of exams during the COVID-19 pandemic. FSM = Free School Meal



**Figure 3.5:** Gap between % non-FSM school leavers and % FSM school leavers achieving at Level 2 or above including English and maths, by religious background



**Source:** The Executive Office, Indicator 12 data, 2020

**Note:** Data stops at 2018/19 due to the cancellation of exams during the COVID-19 pandemic FSM = Free School Meal

Educational underachievement has long been recognised as an issue by the DE and Education Authority. The Children’s Services Co-operation Act (Northern Ireland) 2015 requires government departments to work together to improve the wellbeing of children and young people, including in relation to learning and achievement. The Children and Young People’s Strategy notes that “social disadvantage has the greatest single impact on educational attainment” and commits to closing the attainment gap.<sup>326</sup> This cross-departmental strategy is an opportunity to increase joined-up efforts to address many challenges.

Under the terms of the ‘New Decade, New Approach’ political settlement, two significant reviews of education have been initiated:

- An expert panel was appointed in July 2020 to report to the education minister with a costed action plan to tackle persistent educational underachievement linked to social disadvantage by the end of May 2021. This report (A Fair Start), was endorsed by the Executive on 27 May 2021 and has been published.<sup>327</sup>
- An Independent Review of Education, starting in September 2021, to consider systemic educational issues such as post-primary transfer and a single education system.

<sup>326</sup> Department of Education, Children and young people, 2021.

<sup>327</sup> Department of Education, A Fair Start, June 2021.

These strategic moves are grounds for optimism, but it is too early to judge if they are yet translating into effective programmes and a significant impact on young people's lives.

Even before the COVID-19 pandemic, the most recent Northern Ireland Skills Barometer report highlighted a “noticeable squeeze in the expansion demand within occupations which have traditionally been low skilled with regard to formal qualification”, and indicated that pupils leaving school with low qualification levels were increasingly likely to struggle to find secure, well-paid employment.<sup>328</sup>

Previously spending per pupil in Northern Ireland decreased by over 10% in real terms since 2009-10, more than in any other parts of the UK. A total budget decrease of 5% in real terms, coupled with a 6% increase in school population put acute pressure on school funding.<sup>329</sup> Both the number of children with SEN and associated costs have risen significantly year on year and funding and provision, particularly in mainstream schools, are widely felt to be inadequate.<sup>330</sup>

So far, evidence suggests a widening ‘lockdown learning gap’. This is created by differential access to digital devices, internet connectivity, and parental capacity for home-schooling. Research shows that children of working class parents spent less time on school work during lockdown than their wealthier peers, received significantly less adult supervision and teaching, and were less likely to have an individual device for accessing online learning.<sup>331, 332</sup>

For the 2020-21 school year, as part of a broader catch-up package of spend, DE has put in place an £11.2 million ‘engage’ programme to support the recovery from lost learning time, with about 50% of the funding going to schools with high levels of disadvantage. DE have also allocated £7 million for devices for children and young people from disadvantaged backgrounds for remote learning, among other initiatives.<sup>333, 334</sup> It remains to be seen whether the catch-up package will succeed in benefiting marginalised groups facing socio-economic disadvantage. The programme is continuing in the 2021-22 academic year.

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<sup>328</sup> Ulster University Economic Policy Centre, Northern Ireland skills barometer: 2019 update, 2019.

<sup>329</sup> Institute for Fiscal Studies, 2020 Annual report on education spending in England: schools, 2020.

<sup>330</sup> Northern Ireland Commissioner for Children and Young People, Centre for Research in Educational Achievement and Stranmillis University College, Too little, too late: The views of parents/carers on their child's experiences of the Special Educational Needs (SEN) process in mainstream schools, 2019.

<sup>331</sup> Walsh, G. et al., Home-schooling in Northern Ireland during the COVID-19 crisis: the experiences of parents and carers, 2020.

<sup>332</sup> Ibid.

<sup>333</sup> Department of Education, Investment to support remote learning, 2021.

<sup>334</sup> Education Policy Institute and Nuffield Foundation, Education reopening and catch-up support across the UK, 2021.

## Selective schools



The socio-economic divide between pupils at selective and non-selective schools has widened since 2010 (figure 3.6). In 2020-21, only 14% of pupils in selective schools were eligible for FSM, compared with 37% in non-selective schools

The ability of Northern Ireland's state-funded grammar schools to rival the educational outcomes of expensive fee-paying independent schools in other parts of the UK is a source of great pride for many in the country.<sup>335</sup> These schools are theoretically accessible to all, but transfer test results at age 10/11 are affected by high parental aspirations and rates of private tutoring in high-income households. This means that grammar school places disproportionately go to children from more socio-economically advantaged backgrounds.<sup>336</sup> The socio-economic divide between pupils at selective and non-selective schools has widened since 2010 (figure 3.6). In 2020-21, only 14% of pupils in selective schools were eligible for FSM, compared with 37% in non-selective schools.

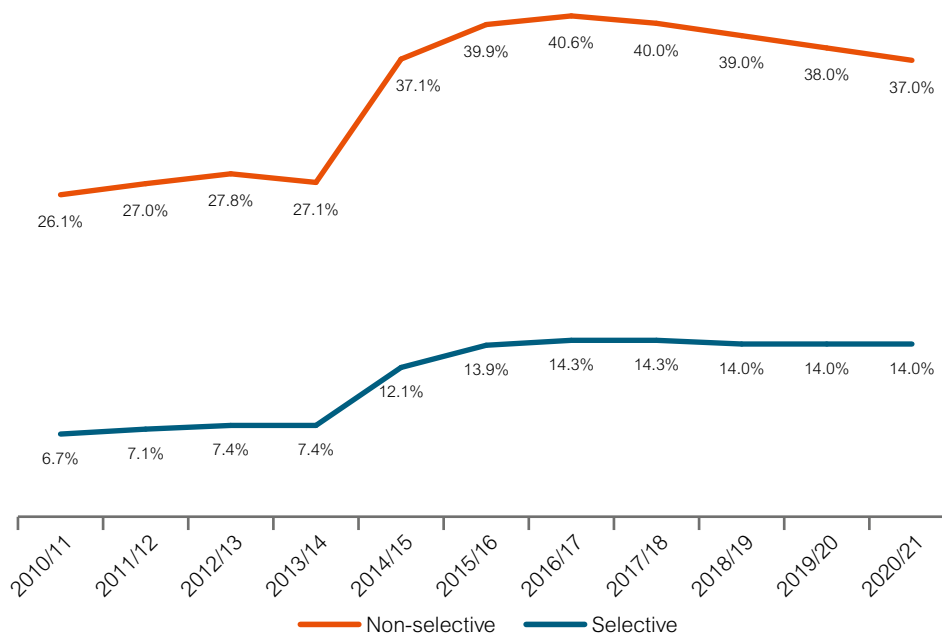


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<sup>335</sup> Northern Ireland Commissioner for Children and Young People, A 'free' education? The Cost of education in Northern Ireland, 2017.

<sup>336</sup> Jerrim, J. and Sims, S., Why do so few low- and middle-income children attend a grammar school? New evidence from the Millennium Cohort Study, 2019.

**Figure 3.6:** Percentage of pupils entitled to free school meals at selective and non-selective post-primary schools in Northern Ireland since 2010



**Source:** Northern Ireland Department of Education, School Enrolments – post primary school data, 2020

**Note:** Changes to the eligibility criteria for FSM in 2014/15 saw the proportion of FSME pupils grow in both types of school

Non-selective schools have falling pupil rolls and consequent funding, as selective schools have been able to keep their rolls topped up by accepting pupils with lower transfer test scores.<sup>337</sup>

The socio-economic divide between selective and non-selective schools impacts on educational outcomes and future employment. Selective school pupils are more likely to enter higher education, while non-selective school pupils are more likely to enter further education, vocational training or employment.<sup>338</sup>

<sup>337</sup> Gallagher T., Education, equality and the economy, 2019.

<sup>338</sup> Department of Education, Qualifications and destinations of Northern Ireland school leavers 2019/20, 2021.

## Case study

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### Steven Jones, 29

**Steven Jones, 29, from Bangor in Co. Down, Northern Ireland, had worked in healthcare for almost 10 years when he injured his back at work. After spinal surgery, he found he was no longer able to continue in his role. Having to change careers after a decade came as a shock.**



*“I had to change my career plan entirely. I hadn’t a clue where to start.”*

His experiences of school were mainly negative, and he left at 15 with no GCSEs.

*“When you’re in your final year of primary school, you’re pushed to do the transfer test to go into a grammar school. If you didn’t go to a grammar school, the education authority didn’t care. You got the basic education you could get and that was it. The teachers gave up on us. They didn’t care. Any bullying that happened was brushed under the rug. High school was a horrible experience.”*

After leaving healthcare, Steven found local employment opportunities were thin on the ground. Most jobs available were in retail and competition was tough.

*“I applied for a few jobs at Tesco or Asda, but there were maybe a few positions available and four or five hundred people applying for them. You had to be very good to get one of the posts.”*

After doing some research, Steven decided to retrain as a hairdresser. He applied to a course at a local college and got a place. But due to COVID-19, most of the course was being taught online and Steven didn’t have a laptop.

*“It was just finance. I just didn’t have enough money for one because they’re quite expensive. It’s not something I ever needed previously. I think I had an old one, but it didn’t work.”*

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He saw a post on social media from the Prince's Trust saying they were providing laptops to help people get into education, so Steven got in touch. "I got a laptop completely free of charge, which was amazing."

Without it, says Steven, it's very unlikely he'd be able to train.

From December until a few weeks ago, when hairdressers re-opened, we've been doing all of our studying online, with our tutors coaching us through the camera. Without that it would have been possible to do bits on my phone, but when it came to the essential skills, which I've just finished, I wouldn't have been able to do it without a laptop.

Now Steven has nearly finished his Level 2 hairdressing course.

*"I have just finished all three of my essential skills and I've passed them all pretty much top of my class. I've applied to do my Level 3 hairdressing, which I'm starting in September."*

From there, he hopes to open his own hairdressers.

*"My partner is a hairdresser as well. We're hoping to make a little family business."*

For two decades, reports have highlighted the problems that academic selection creates for social mobility and allocating resources effectively.<sup>339, 340</sup> In 2008, the Department of Education discontinued the 11+, but similar tests are still run by private companies. Primary schools were initially told not to run special preparation classes for these unofficial tests, but this decision was overturned in 2016.<sup>341</sup> In 2020, the debate was reignited by the decision to postpone and then cancel the unofficial transfer tests owing to COVID-19, to be replaced with a range of (mostly non-academic) criteria depending on the individual school.

The effect of this on grammar school intakes remains to be seen. We will soon release work showing the importance of socio-economic mix in school settings, which further supports the need for non-selective school structures.

If academic selection had taken place as normal this year, it is likely that social mobility would have suffered further; children from poorer families are likely to have spent significantly less time learning at home, with less parental support, than children from wealthier families.<sup>342</sup> Future comparison with outcomes in selective areas of England where transfer tests did proceed in 2020 might shed light on this question.

In April 2021, the Northern Ireland Assembly voted in favour of a motion calling for a system of post-primary transfer “without academic selection”. However, this was not legally binding and strongly diverging views on the issue between the main parties in the fragile power sharing Executive mean that agreement is unlikely to be reached in the near future. The forthcoming Independent Review of Education may provide an opportunity for reform in the medium-term. Significant reform is unlikely to work without political agreement and support from a range of sector organisations such as the main churches and grammar schools.



The lockdown learning gap between children based on socio-economic background, combined with a return to usual transfer arrangements, is likely to damage social mobility in the coming years

Some grammar schools are already announcing their intention not to use transfer tests in 2022. One of the two main transfer test consortia is considering alternative examinations based on verbal and numerical reasoning. However, the lockdown

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<sup>339</sup> Department of Education, The effects of the selective system of secondary education in Northern Ireland: Main report, 2000.

<sup>340</sup> Queen's University Belfast, Investigating links in achievement and deprivation: Final summary report, 2017.

<sup>341</sup> Gallagher, T., Education, equality and the economy, 2019.

<sup>342</sup> Queen's University Belfast, Understanding parents' experiences of home-schooling in Northern Ireland, 2020.

learning gap between children based on socio-economic background, combined with a return to usual transfer arrangements, is likely to damage social mobility in the coming years.

The COVID-19 crisis has also led to a greater focus on the digital access and skills in Northern Ireland. Despite rapidly growing internet use in Northern Ireland in the 2010s, internet coverage trailed behind that of the rest of the UK.<sup>343</sup> Northern Ireland is also the only UK region without a cohesive digital strategy for education: the latest policy relating to technology in education dates from 1997. This is significant, given the importance of tech and media as growth areas in the Northern Ireland economy.<sup>344</sup> The Northern Ireland Council for the Curriculum, Examinations and Assessment (CCEA) is currently developing a Digital Skills Framework for the curriculum, starting from age 6 (key stage 1). However, research with primary schools before the pandemic suggested wide variation in available digital resources. One-third reported insufficient resources to teach information and communication technology skills.<sup>345</sup>

The implication of the unequal impacts of the pandemic is that pupils from socio-economically disadvantaged backgrounds, who showed persistent educational underachievement before COVID-19, are at significant risk of lockdown learning loss, with a knock-on impact on their social mobility. The story is similar in the rest of the UK. These challenges urgently need to be addressed to give socio-economically disadvantaged young people in Northern Ireland equitable opportunities.

### Further education, higher education and shared education

Further Education underwent significant change in 2007. Sixteen colleges merged to form six regional colleges, offering a wide range of technical and vocational courses. Until 2016, strategies to improve outcomes for disadvantaged young people in Northern Ireland are administered by the Department for the Economy. The 'New Decade, New Approach' included a commitment to develop enhanced careers advice, curriculum, training and apprenticeships to enhance employability and economic growth. A consultation on the skills strategy is currently underway to support the implementation of this commitment.

The total number of students enrolled at FE colleges has decreased by 18.2%, from 93,681 in 2014-15 to 76,670 in 2018-19. This relates mainly to a reduction in part-time student numbers and coincides with a prolonged 'demographic dip' among 16- to 19-year-olds.<sup>346</sup>

More young people have gone on to higher education in the past two decades, but wide socio-economic disparities remain. Increased demand has not been matched by an increase in locally available student places by the Executive through the 'Maximum Student Numbers' mechanism. This exacerbates a long-established pattern of outward

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<sup>343</sup> Office for National Statistics, Internet users, UK: 2020, Accessed June 2021.

<sup>344</sup> Invest Northern Ireland, Key facts and figures, 2020.

<sup>345</sup> Galanouli, D. and Clarke, I., Study into the development of digital education in primary schools in Northern Ireland: Baseline study, 2019.

<sup>346</sup> Northern Ireland Statistics and Research Agency, Further education activity of students in Northern Ireland: 2014/15 to 2018/19, 2021.



migration: thousands of young people leave Northern Ireland for higher education each year, mostly to the rest of the United Kingdom. This has two main effects for social mobility: Northern Ireland experiences a ‘brain drain’ as talented young people leave, and many do not return;<sup>347</sup> and socio-economically disadvantaged students less likely to be able to afford higher education outside of Northern Ireland face particularly intense competition for local study places.

Since the Shared Education Act (Northern Ireland) 2016, the Department of Education (NI) and the Education Authority have played a central role in facilitating major Shared Education projects across Northern Ireland, aimed at increasing opportunities for pupils of different religious and socio-economic backgrounds to be educated together. This has been possible through significant investment from the Northern Ireland Executive, the Atlantic Philanthropies, and the European Union through the Peace IV programme. The positive impact Shared Education has on educational outcomes for children and young people has been recognised by the Education and Training Inspectorate, parents, children and the education settings themselves. Evaluations have outlined the positive impact on community relations as have reports to the Northern Ireland Assembly on Advancing Shared Education Report.<sup>348, 349, 350, 351, 352</sup> Because Shared Education takes different forms in different areas, it is difficult to measure its impacts on social mobility, but it has helped to attract social and financial investment in school improvement and community collaboration, in Northern Ireland and across the border with the Republic of Ireland.<sup>353</sup>

Shared Education can contribute to improved community relations, but also has the potential to help to rationalise schools and improve their provision and outcomes. This will take time, and political consensus on what are often deeply contentious decisions on school investment.

## Employment and the labour market

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Even prior to the pandemic, the economy of Northern Ireland had not fully recovered from the global recession of 2008.<sup>354</sup> In 2020, the economy once again contracted, with implications for longer-term economic revival, labour market trends and the wider ‘levelling up’ agenda.

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<sup>347</sup> Pivotal, Retaining and regaining talent in Northern Ireland: An exploration of educational migration, 2021.

<sup>348</sup> Centre for Research in Educational Achievement, Home-schooling in the COVID-19 crisis: second survey launched, 2021.

<sup>349</sup> Ibid.

<sup>350</sup> The Education and Training Inspectorate, The shared education signature project evaluation report - October 2018, 2018.

<sup>351</sup> Department of Education, Advancing shared education report to the Northern Ireland Assembly June 2020, 2020.

<sup>352</sup> The Education and Training Inspectorate, The shared education signature project evaluation report - October 2018, 2018.

<sup>353</sup> Duffy, G. et al., Attitudes towards and experiences of the network for shared school improvement: a survey of teachers and school leaders, 2020.

<sup>354</sup> Northern Ireland Statistics & Research Agency, NI: in profile, Accessed June 2021.



Not only did Northern Ireland have the lowest job creation levels across all 12 UK regions but less than half (47.3%) of all jobs created were in 'professional and managerial' occupations, in comparison to three-quarters of all jobs created across the UK as a whole

There is a comparatively large public sector in Northern Ireland, with a weaker private sector base. The power of the sector has comparatively declined after a decade of fiscal consolidation, but a re-balancing of the economy has not yet been realised. In the period 2012-18, not only did Northern Ireland have the lowest job creation levels across all 12 UK regions but less than half (47.3%) of all jobs created were in 'professional and managerial' occupations, in comparison to three-quarters of all jobs created across the UK as a whole. This reduces the opportunity for social mobility, as there is less 'room at the top'.

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The rate of ‘new’ business creation in Northern Ireland stands at 16%, considerably higher than in Wales (6%) but trailing far behind England (41%) and Scotland (51%). When business ‘deaths’ are taken into consideration, the net number of ‘new firms’ in 2019 was 860 – less than half the number prior to the last global recession.<sup>355</sup> While new businesses have a comparable survival rate to that of the UK as a whole (57%), this is tempered by the lower performance of High Growth Firms (HGFs).<sup>356</sup> This is particularly relevant because, due to their rapid expansion, HGFs generally ‘punch above their weight’ in terms of contributing to economic growth and job creation. There is a sense among providers and recipients of ‘start-up’ support that the Northern Ireland Executive does not recognise the importance of start-ups to the wider economy.<sup>357</sup>



Northern Ireland has the lowest median wage for all employee types – currently 9.7% lower than the UK median

Northern Ireland has the lowest median wage for all employee types – currently 9.7% lower than the UK median.<sup>358</sup> Although this is a persistent trend, the current difference in average hourly pay is at its widest for two decades.

The proportion of ‘high-paid’ jobs is at a 20-year low, and Northern Ireland has the lowest ratio of high-paid to low-paid jobs across the 12 UK regions.<sup>359</sup> One-quarter of jobs pay less than the real Living Wage of £9.30.<sup>360</sup> The data suggests that opportunities for income mobility are more limited in Northern Ireland.



The pandemic has made the pipeline of opportunity narrower and the holes in it wider than ever before

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<sup>355</sup> Federation of Small Businesses, *Back to the start-up: A review of business start-up support in Northern Ireland*, 2021.

<sup>356</sup> High growth firms employ 10 or more employees.

<sup>357</sup> Federation of Small Businesses, *Back to the start-up: A review of business start-up support in Northern Ireland*, 2021.

<sup>358</sup> Northern Ireland Statistics & Research Agency, *Labour market report – February 2021*, 2021.

<sup>359</sup> Northern Ireland Statistics & Research Agency, *NI ASHE 2020 publication*, 2020.

<sup>360</sup> Northern Ireland Statistics & Research Agency, *NI: In profile*, Accessed June 2021.

The pre-existing employment pattern of Northern Ireland, exacerbated by the pandemic, hinders social mobility, in that Northern Ireland's reliance on lower-paid and lower-skilled employment types, and the low number of high-paid jobs and high-growth firms restrict opportunity. It is clear that, in Northern Ireland, the pandemic has made the pipeline of opportunity narrower and the holes in it wider than ever before.

Income mobility is reduced by lower levels of job creation, but specifically by lower levels of job creation in occupations with higher rates of pay, greater opportunities for promotion, and longer-term stability and employment rights. Young people and those with lower educational attainment levels are more likely to be on short-term, temporary contracts and 'zero hour' contracts with little regulation. The so-called 'gig economy' has few benefits in terms of economics or social cohesion.<sup>361</sup>



More concerning, 10.6% of the workforce have no qualifications compared with 8% UK-wide

The trends are further compounded by adults in Northern Ireland's workforce having lower levels of third-level qualifications and higher levels of no qualifications than the UK as a whole: 34.9% of the workforce are qualified to degree level in NI compared with 39.2% UK-wide.<sup>362</sup> More concerning, 10.6% have no qualifications compared with 8% UK-wide.<sup>363</sup> Such skills gaps relate to the weakness of the private sector base, the structure of employment, and the migration of skilled labour out of the region.

Other distinct regional features are relevant. Northern Ireland has a long-standing east-west economic divide and a comparative concentration of employment and investment opportunities in Belfast and its surroundings.<sup>364</sup> The Department of the Economy recently acknowledged the need for greater investment in digital and transport infrastructure to address this.<sup>365</sup> Long-standing underinvestment in infrastructure is also holding Northern Ireland back, and these policy commitments are particularly relevant for those in less densely populated areas because of difficulties accessing secure employment locally, limited public transport and the need for greater digital access and inclusion.<sup>366, 367</sup>

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<sup>361</sup> Major, L. E., and Machin, S., *How to improve social mobility*, 2019, Accessed June 2021.

<sup>362</sup> Department for the Economy, *Rebuilding a stronger economy – the medium term recovery*, Accessed June 2020.

<sup>363</sup> Ibid.

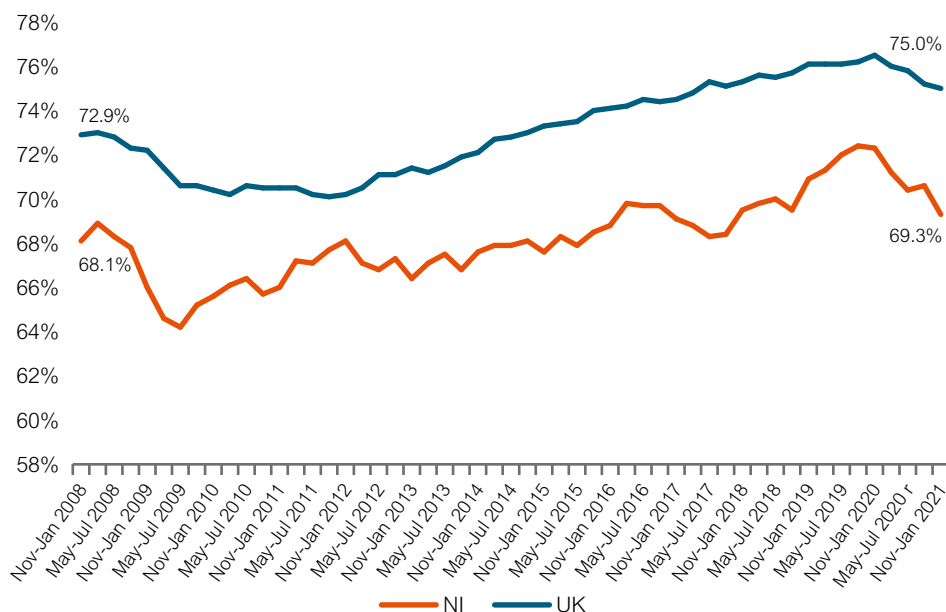
<sup>364</sup> Agenda Northern Ireland, *Invest NI: East-west divide in investment*, Accessed June 2021.

<sup>365</sup> Department for the Economy, *Rebuilding a stronger economy: the medium term recovery*, Accessed June 2021.

<sup>366</sup> Pivotal, *COVID-19 second report*, 2020.

<sup>367</sup> Special European Union Programmes Body, *PEACE PLUS public consultation*, Accessed June 2021.

**Figure 3.7: Employment rate: Northern Ireland vs. UK**



**Source:** Labour Force Survey (seasonally adjusted figures)

**Note:** The Labour Force Survey consider the following as 'employed': People aged 16-64 who did at least one hour of paid work in the reference week (whether as an employee or self-employed); those who had a paid job that they were temporarily away from; those on government-supported training and employee programmes and those doing unpaid family work

The employment rate in Northern Ireland has never exceeded the UK average; the estimated rate is 69.3% (figure 3.7 for the period up until November to January 2021). This remains an internationally high rate of employment, but it is an annual decrease (May to July 2009) of 3 percentage points – which is both statistically significant and the largest since 2008-09.<sup>368</sup>

The unemployment rate in Northern Ireland, estimated at 3.7%, has remained below the UK average since mid-2017. However, almost a third (31.4%) were 'long-term' unemployed and more than one in ten (10.7%) were young adults aged 16-24.<sup>369</sup>

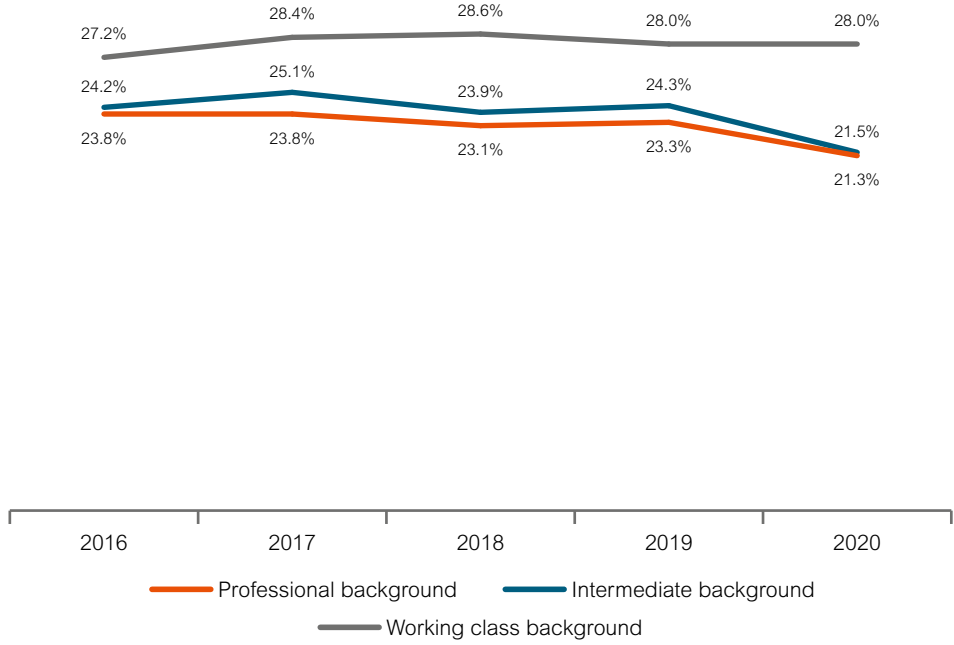
In 2020, more economically inactive people are from working class backgrounds in Northern Ireland (28%) than in the UK as a whole (22%), and this proportion has not changed significantly over time (figure 3.8). The number of inactive people from professional and intermediate backgrounds has fallen slightly but remains higher than for the UK as a whole (see figure 3.8).

<sup>368</sup> Northern Ireland Statistics & Research Agency, Labour market report - March 2021, Accessed June 2021.

<sup>369</sup> Ibid.

# Northern Ireland

**Figure 3.8:** Economic inactivity rate by socio-economic background in Northern Ireland (three year moving average)



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Margin of error varies from 1.7% to 2.7% for individual statistics, so changes across individual years should be treated with caution



The rate of economic inactivity was 7 percentage points higher than the UK-wide rate, and is the highest across all UK regions

The percentage of the Northern Ireland population deemed ‘economically inactive’ increased in the last quarter of 2020 to reach 28.0%. Although the increase over the year was not statistically significant, the rate remains 7 percentage points above the UK-wide rate (20.9%) and is the highest across all 12 UK regions.

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## Impact of COVID-19 on employment

While it is not yet fully known how lockdowns and other COVID-19 related factors will affect the labour market in Northern Ireland, it is clear that the impact has been and will continue to be most keenly felt among young people and those with the lowest qualifications and earnings, suggesting an impact in terms of relative social mobility.<sup>370</sup>

The UK introduced the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS) as the primary ways of propping up employees and keeping them tied to their employers (which would enable faster recovery). At the end of September 2020, 65,100 people were on the Job Retention Scheme in Northern Ireland, and as May 2021, there have been 282,700 unique jobs supported by the scheme since its inception.<sup>371</sup>

While furlough schemes have kept many people in jobs, it has been at a maximum of 80% of their salary. Across the UK, the greatest numbers of furloughed workers are in the wholesale and retail, manufacturing, accommodation, and food services sectors, and those from lower socio-economic backgrounds are more likely to work in working class jobs. The Northern Ireland economy is heavily reliant on such sectors, and so there is likely to be an impact on employment figures when the scheme ends.

These impacts will follow the 5,780 confirmed redundancies in the 12 months to May 2021.<sup>372</sup> These figures illustrate that although Northern Ireland's unemployment rate is below the UK average, the impact of the pandemic on that rate could be disproportionately higher than elsewhere. While the furlough scheme has undoubtedly helped to protect the Northern Irish economy against a labour market shock, the shock may follow the end of the furlough scheme.



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<sup>370</sup> Ulster University Economic Policy Centre, Labour Market Implications of Covid-19, 2020.

<sup>371</sup> Ibid.

<sup>372</sup> HM Revenue and Customs, Coronavirus job retention scheme statistics: March 2021, 2021

## Case study

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### Derry youth and community workshop

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**Derry Youth and Community Workshop runs training programmes teaching vocational and personal skills to young people in Londonderry, Northern Ireland, to help them into employment.**



CEO Declan Doherty says the biggest challenge is raising young people's sights after years of generational unemployment.

*"The difficulty is that there aren't the jobs."*

Historically, the shirt industry was a major employer, paying the wages of thousands of people at its peak. But since the industry moved abroad, joblessness has become endemic. The Londonderry area has suffered some of the highest unemployment levels in Northern Ireland and the UK for years.

Doherty says the young people he sees have often resigned themselves to a life on benefits.

*"The conversation I had with a kid the other day was, 'My dad was on the dole all his life, and my granddad was on the dole all his life and he did alright'. Institutional unemployment and benefit dependency is a big issue here. People in that situation just learn to live with what they have."*

Adding to that, many young people move away for university and don't return, depriving the local economy of innovation.

*"We have a big emigration issue. Not just to America, but to mainland UK or to Belfast. Universities in their own right can create industry because they provide entrepreneurs and highly skilled and educated people and we have that gap."*



### Case study

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A lot of the organisation's work involves teaching basic skills.

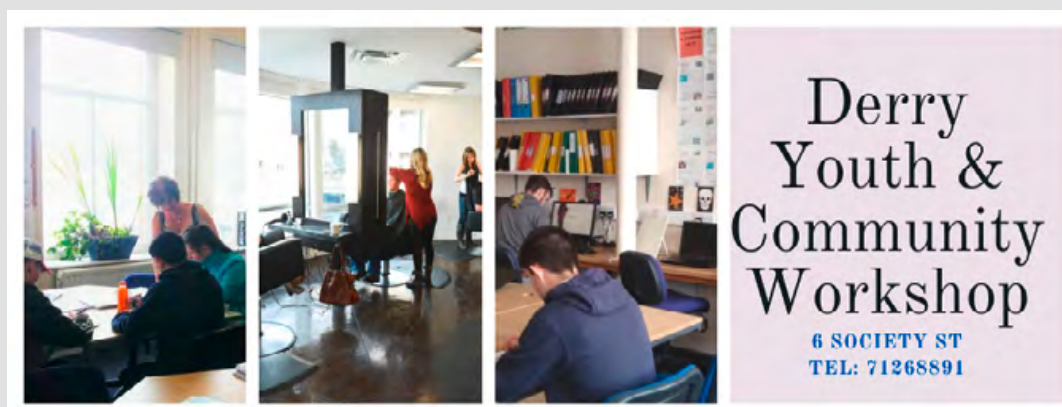
Many of our young people are at the lower end of the educational bracket. We have a lot of people coming into us who would not have achieved a C in English or maths and their GCSEs. As well as that, their overall skill level – even manual skills level for the building industry – is lacking.

He says apprenticeship programmes offered through employers aren't an option because the employers simply don't exist.

*“So there is no way you can get an apprenticeship. Say a young fella wants to be an electrician or builder. He has to find an employer to take him on. But there is no-one to do that. They have to look at the whole apprenticeship programme.”*

Despite the challenges, Doherty tells the story of how the organisation recently helped a young man with Asperger's syndrome land his first job in retail.

*“When he came here initially even his mum was of the opinion that he would never work because of his difficulties. We did a lot of work to increase his confidence and then we got him a work placement in Poundland. He was there one day a week and he attended here four days a week for training. We did a lot of skills work with him on reading and writing and numeracy. We did a retail class, taught him how to use a till and improved his communication skills. He eventually progressed into full-time employment. He's now been made a supervisor, so he's delighted. It's big progress for him.”*



# Northern Ireland

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Younger people will be particularly badly hit, as they are both over-represented in the worst-affected sectors and face a double disadvantage of under-representation and less employment experience in more resilient occupations.<sup>373</sup> Higher unemployment rates among young people will reduce social mobility for a whole generation, with those from less advantaged family backgrounds hit the hardest.

Compounding all of these concerns, the recently introduced Northern Ireland Protocol has left those in the agri-food, retail and hospitality sectors facing uncertainty, logistical and operational difficulties, and additional costs to trade with rest of the UK and the Republic of Ireland.

In June 2020, the Department for the Economy published ‘Rebuilding a Stronger Economy: The Medium-Term Recovery’, identifying “decisive interventions” to deliver higher-paying jobs, a highly skilled and agile workforce, and a more regionally balanced economy. Interventions include investing in employment sectors where Northern Ireland has existing strengths to generate more higher-paying jobs; in digital skills and lifelong learning to upskill and reskill workers; and in rural broadband and measures to increase consumer confidence in local towns.<sup>374</sup>



Northern Ireland is starting from a much lower ‘baseline’ of social mobility than most UK regions

Such measures will be essential, as the labour and economic trends described above will have longer-term impacts on social mobility patterns. Northern Ireland is starting from a much lower ‘baseline’ of social mobility than most UK regions.<sup>375</sup> There is an ever more pressing need to consider ‘what works’ in comparable economic regions, to introduce targeted interventions in areas suffering from multiple deprivation, to enable equitable access to skills development, and to engender confidence in entrepreneurial capacity to address the current ‘uneven’ playing field and drive economic growth to promote absolute mobility.

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<sup>373</sup> The National Learning and Work Institute, Facing the future - employment prospects for young people after coronavirus, 2021.

<sup>374</sup> Department for the Economy, Rebuilding a stronger economy – the medium term recovery, 2020.

<sup>375</sup> Organisation for Economic Co-operation and Development, A broken social elevator? How to promote social mobility, 2018.

## Inequality, welfare, poverty, living standards

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Social mobility is inextricably linked to low levels of poverty, and no country in the world that performs well on social mobility also has high rates of poverty and inequality. Children who are exposed to poverty have worse health, education, development and ultimately, worse outcomes in the labour market compared to more affluent children.<sup>376, 377, 378, 379, 380, 381</sup>

Meanwhile, living standards matter not only because of their power to improve future upward mobility and protect against economic shocks, but also because of the emotional, wellbeing and general improvements to quality of life that higher living standards bring.



One in five people are considered to be in relative poverty

Poverty rates in Northern Ireland have remained stable over the past decade, with one in five people considered to be in relative poverty.<sup>382</sup> Some groups experience much higher rates: for example, although the rate for lone parent households has declined in the past decade, two in five remain in poverty.<sup>383</sup>

Relative poverty levels are slightly lower for couples with children and lone parents than in England and Wales, but higher than in Scotland.<sup>384</sup> This can be explained by lower housing costs, resulting from a comparatively strong social housing sector.

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<sup>376</sup> Cooper, K., and Stewart, K., Does household income affect children's outcomes? A systematic review of the evidence, 2020.

<sup>377</sup> Duncan, G.J. et al., Economic deprivation and early childhood development, 1994.

<sup>378</sup> Bradshaw J., Child poverty and child outcomes, 2006.

<sup>379</sup> Ibid.

<sup>380</sup> Joseph Rowntree Foundation, The costs of child poverty for individuals and society: a literature review, 2008.

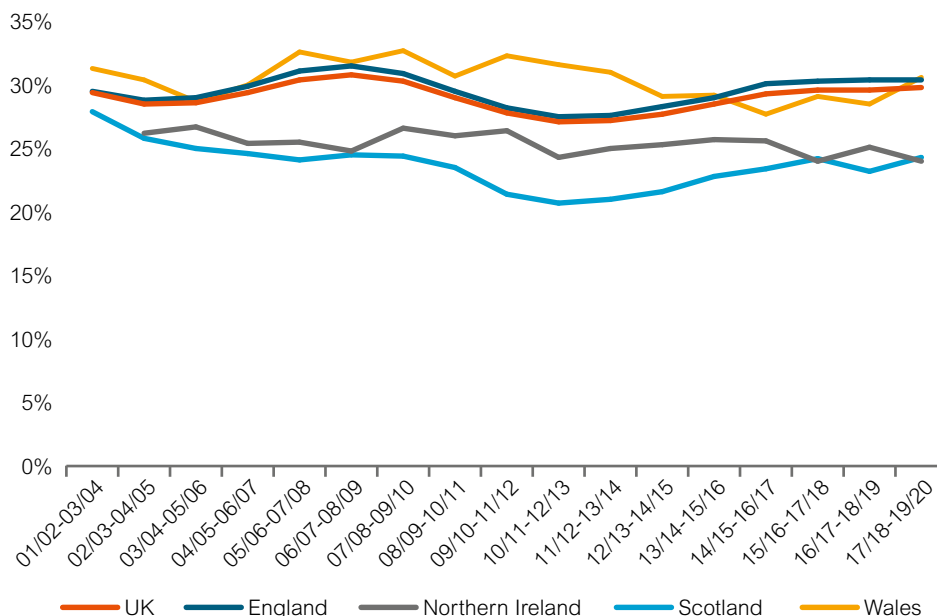
<sup>381</sup> Organisation for Economic Co-operation and Development, A broken social elevator? How to promote social mobility, 2018.

<sup>382</sup> Figures relate to average poverty rates between the years 2003 and 2006 and 2013 and 2016. Relative poverty relates to poverty rates after housing costs.

<sup>383</sup> Joseph Rowntree Foundation, Poverty in Northern Ireland 2018, 2018.

<sup>384</sup> Ibid.

**Figure 3.9 Percentage of children in relative poverty (after housing costs, three year averages)**



**Source:** Department for Work and Pensions, Households below average income: for financial years ending 1995 to 2020 - GOV.UK ([www.gov.uk](http://www.gov.uk)), 2021

**Note:** This is based on a poverty line defined as 60% of the contemporary median after deducting housing costs

As noted throughout, disadvantage at an early age can negatively impact social mobility. DWP data shows that almost one-quarter (24%) of children in Northern Ireland live in a household that, on income levels alone, struggles to provide the basics of heat, food and clothing or meet childcare costs. Northern Ireland is doing better at tackling child poverty compared to England (30%). This impacts not only on collective health and wellbeing, but also on children’s educational attainment and adults’ ability to work outside the home.<sup>385</sup>

The Department for Communities established an expert panel in 2020 to prepare a ‘Recommendations for an Anti-Poverty Strategy’. Its report noted that around 121,000 children (27% of all children) are living in poverty in Northern Ireland, and highlighted evidence of the positive effects of income on children’s outcomes, including cognitive development and school achievement.<sup>386</sup> It recommended introducing a new non-taxable weekly Child Payment for all 0- to 4-year-olds and for 5- to 15-year-olds receiving FSM, encouraging higher take-up of FSM at the same time by using FSM as the ‘passport’ for the payment.

<sup>385</sup> Northern Ireland Statistics & Research Agency, NI: In profile, Key statistics on Northern Ireland, Accessed June 2021.

<sup>386</sup> Department for Communities, Report from the anti-poverty strategy expert advisory panel, 2021.

Prior to the pandemic, Universal Credit figures indicated a significant rise in the numbers of 'working poor'. Just under 100,000 households currently receive Universal Credit, with more than half (56%) being single households with no children.<sup>387</sup> An additional 49,000 in-work families (with children) receive working-tax credits and child-tax credits, and 13,000 in-work families (with no dependents) claim working-tax credits only to top up their income.<sup>388</sup> Like the rest of the UK, Northern Ireland saw significant spikes in new applications for Universal Credit at the start of the first lockdown in March-April 2020.<sup>389, 390</sup> The UK Government temporarily increased the annual Universal Credit allowance to £1,040 in March 2020, and increased the amount of earnings a household could receive before losing entitlement to Universal Credit. Entitlement was also widened to groups such as self-employed people not able to work and people with COVID-19 symptoms required to self-isolate but not eligible for Statutory Sick Pay. Those on furlough and low-income workers were also potentially eligible.<sup>391</sup>

Households are less confident of their financial position in 2020 than in 2019: 45% state that after 'essential' household outgoings, they have a 'disposable income' of £300 or less each month.<sup>392</sup>

The poorest households in Northern Ireland have longer-term debt and financial sustainability problems. One in ten (11%) are in problem debt (behind on any household bill or commitment); almost two-thirds of these are unable to contribute to a private pension scheme.<sup>393</sup> Some welfare reform measures are currently mitigated in Northern Ireland.<sup>394</sup> Current patterns suggest that this masks longer-term poverty concerns that will hit harder when the mitigations end. The unrealised socio-economic impacts of COVID-19 and the Brexit transition will further exacerbate this.

COVID-19 has increased financial pressures on already disadvantaged families, and it has pulled some into poverty for the first time.<sup>395</sup> Barnardo's Northern Ireland highlights the urgent need to ensure that support such as FSM is "extended to all families who have been pulled into poverty as a result of the pandemic".<sup>396</sup> At the same time, social distancing restrictions have made it harder for organisations to fully support families.<sup>397</sup>

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<sup>387</sup> Northern Ireland Statistics & Research Agency, NI: In profile, Key statistics on Northern Ireland, Accessed June 2021.

<sup>388</sup> Northern Ireland Statistics & Research Agency, NI: In profile, Key statistics on Northern Ireland, Accessed June 2021.

<sup>389</sup> Northern Ireland Statistics and Research Agency, NI Universal Credit statistics February 2020, 2021.

<sup>390</sup> Ibid.

<sup>391</sup> Ibid.

<sup>392</sup> The Consumer Council, Tracker – Wave 1, Accessed June 2020.

<sup>393</sup> Joseph Rowntree Foundation, Poverty in Northern Ireland 2018, 2018.

<sup>394</sup> These include protection for households affected by cuts to a range of welfare payments, including protecting benefits for those with disabilities (for up to one year), protecting some families with dependents from the impact of the Benefit Cap, extension of discretionary support payments for claimants of Universal Credit and the non-implementation of the 'under-occupancy penalty' ('bedroom-tax').

<sup>395</sup> Northern Ireland Council for Voluntary Action, COVID-19: The impact on children and families, Accessed June 2021.

<sup>396</sup> Ibid.

<sup>397</sup> Ibid.

## Housing



While Northern Ireland has comparatively strong social housing provision, it has not kept up with demand

Access to housing is important to promoting social mobility. Good-quality, affordable housing provides a safe, secure environment and mitigates poor health outcomes. It has become harder to buy or rent property across Northern Ireland because of income levels and housing costs.<sup>398</sup> The region remains a nation of ‘homeowners’, but the private rented sector (PRS) has grown significantly over the past decade: 19% of the population now rent from private landlords and a further 14% either rent from housing associations or live in social housing.<sup>399</sup> While Northern Ireland has comparatively strong social housing provision, it has not kept up with demand. Figures for those on the waiting list (38,745) and in housing stress (27,745) are at their highest recorded levels.<sup>400</sup>

Half of PRS tenants are aged 18-34; 27% of all tenants pay more than 30% of their net household income on housing costs.<sup>401</sup> This is compounded because younger people are entitled to less assistance with housing costs and tenants’ rights have not kept pace with PRS growth. There are also concerns about the quality and management of social housing, especially for households with vulnerable members.<sup>402</sup> The Equality Commission for Northern Ireland (ECNI) has expressed concern that those from minority ethnic groups, who may lack knowledge of their housing rights, face additional risks from poor landlord or letting agency practices.<sup>403</sup> Such groups who are less able to secure or maintain a tenancy may be at greater risk of homelessness.

Measures have been introduced in Northern Ireland in the past year to ‘mitigate’ the worst impacts of the pandemic on housing insecurity, for both owner occupiers (mortgage payment holidays, freezes on involuntary lender repossessions) and private tenants (‘notice to quit’ period extension, suspension of eviction proceedings). However, as noted by the NI Housing Executive, employment loss and reduced incomes work in the opposite direction, making it harder for many people to meet their housing costs, and potentially reducing social mobility. On top of this, disruption in the construction industry over the past year has impacted on the supply of new housing stock.<sup>404</sup>

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<sup>398</sup> Nevin Economic Research Institute, *Housing provision in Northern Ireland and its implications for living standards and poverty*, 2018.

<sup>399</sup> Over two-thirds (65%) either own a property outright, or with a mortgage.

<sup>400</sup> Housing stress means that applicants for social housing have 30 or more selection points and are likely to be living in unsuitable or unsafe accommodation. 2020 figures are the highest since records began in 2002-03.

<sup>401</sup> Nevin Economic Research Institute, *Housing provision in Northern Ireland and its implications for living standards and poverty*, 2018.

<sup>402</sup> Centre for Housing Policy and The University of York, *Centre for Housing Policy*, 2015.

<sup>403</sup> Equality Commission for Northern Ireland, *Housing communities: Summary report*, 2017.

<sup>404</sup> Northern Ireland Housing Executive, *Housing market analysis*, Accessed June 2021.

### **Northern Ireland specific factors: community division, paramilitarism and social mobility**

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Political tensions rose within the loyalist community in 2021 over the post-Brexit introduction of checks on certain goods moving from the rest of the UK to Northern Ireland, which has remained within the European Union single market.<sup>405</sup> This was cited as one of the contributory factors to the sustained outbreak of street violence in March-April 2021.<sup>406</sup>

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<sup>405</sup> Cabinet Office, The Northern Ireland protocol, 2020.

<sup>406</sup> BBC, Belfast: Rioting 'was worst seen in Northern Ireland in years', Accessed June 2021.

Evidence suggests a strong link between levels of social disadvantage, community segregation and the prevalence of a range of illegal paramilitary activity in both loyalist and republican communities.<sup>407</sup> Independent Reporting Commission (IRC) analysis shows that 9 of the 10 most socially deprived wards also contained at least one paramilitary indicator (paramilitary assaults, shootings, bombings, murals etc.), while 8 of the 10 contained at least one indicator at a higher frequency than the average.

Northern Ireland continues to experience unique post-conflict circumstances which affect society at every level. The impacts include many areas of single-identity community housing, the still largely denominational school system, divergent community responses to the Irish language and, most recently, heightened post-Brexit tensions, with loyalist anger at the implementation of the Northern Ireland Protocol and republican calls for an Irish border poll. The financial cost of division is difficult to estimate, but one study suggested it could be £400–£830 million per year, with the most significant cost linked to policing and justice, but additional costs in the areas of housing, education, health and leisure facilities.<sup>408</sup> More than 20 years after the Belfast (Good Friday) Agreement in 1998, paramilitary organisations continue to exert a negative influence over many communities, hindering investment, freedoms, educational opportunity and social mobility.<sup>409, 410, 411, 412, 413</sup>

The UK and Irish Governments established the Independent Reporting Commission to monitor progress on tackling paramilitary activity in Northern Ireland. This followed a commitment in the Fresh Start Agreement (November 2015) to end paramilitarism “once and for all” and was a specific recommendation of the subsequent Northern Ireland Executive’s Action Plan on Tackling Paramilitary Activity, Criminality and Organised Crime.<sup>414, 415</sup> The UK Government and the Northern Ireland Executive each committed £25 million to implementing this plan over five years (2016–21). It includes a commitment by the Executive to address underlying systemic issues, including educational disadvantage. The Northern Ireland Executive has agreed to extend the Programme to March 2024, subject to matched funding by the UK Government.

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<sup>407</sup> Independent Reporting Commission, IRC first report, 2018.

<sup>408</sup> Economic Policy Centre, Storey welcomes report on cost of division in society, 2016.

<sup>409</sup> Ibid.

<sup>410</sup> Independent Reporting Commission, IRC third report, 2020.

<sup>411</sup> Purdy, N. et al., Loyalist & Republican perspectives on educational underachievement in NI, 2021.

<sup>412</sup> Ulster University, Economic Policy Centre, Cost of division: a benchmark of performance and expenditure, 2016.f

<sup>413</sup> McAlister, S. et al., Experiencing paramilitarism: understanding the impact of paramilitaries on young people in Northern Ireland, 2018.

<sup>414</sup> Northern Ireland Office and The Rt Hon Theresa Villiers MP, A fresh start for Northern Ireland, Accessed June 2021.

<sup>415</sup> Northern Ireland Executive, Tackling paramilitary activity, criminality and organised crime - Executive action plan, 2016.





Many of the communities where the paramilitaries exert greatest control have long suffered from deprivation and disadvantage, much of which was exacerbated by the Troubles and clearly identifies socio-economic deprivation as the ‘fuel’ and ‘driver’ for paramilitarism

The most recent IRC Report claims that “many of the communities where the paramilitaries exert greatest control have long suffered from deprivation and disadvantage, much of which was exacerbated by the Troubles and clearly identifies socio-economic deprivation as the ‘fuel’ and ‘driver’ for paramilitarism”.<sup>416</sup> Along with regional deprivation, a higher level of violence itself negatively affects educational achievement: the number of children meeting or exceeding the minimum expected Level 4 pass is lower in areas with more violence.<sup>417</sup>

Although the number of deaths, shootings and bombings related to the security situation has declined over the past decade, the number of casualties as a result of paramilitary-style assaults has increased, from 50 in 2010-11 to 67 in 2019-20.<sup>418</sup> However, the PSNI concluded that loyalist paramilitaries were not directly involved in the most recent outbreak of street violence in March-April 2021, despite initial suggestions to the contrary.<sup>419</sup>

The IRC has proposed a “Twin Track Approach” to the challenge of paramilitarism. Track One prioritises policing and justice responses, to tackle the criminality of paramilitarism (e.g. the establishment of the Paramilitary Crime Task Force). Track Two is a programme to tackle the underlying socio-economic issues prevalent in communities where paramilitaries operate, such as educational underachievement, adverse childhood experiences, unemployment, poverty, lack of investment, mental health issues and drugs.

In its first report, the IRC identified the need to prevent young people from being drawn into paramilitary activity and recommended that the Executive commission appropriate initiatives to promote lawfulness in schools and through youth work in communities. In its most recent report, the IRC notes progress in a range of educational domains, including case studies of how educational underachievement has been successfully addressed through multi-level interventions in other areas, such as Birmingham, Glasgow and Limerick.

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<sup>416</sup> Independent Reporting Commission, IRC third report, 2020.

<sup>417</sup> Ferguson, N. and Michaelsen, M., Money changes everything? Education and regional deprivation revisited, 2015.

<sup>418</sup> Police Service of Northern Ireland, Security situation statistics, 2021.

<sup>419</sup> BBC, Belfast: Rioting ‘was worst seen in Northern Ireland in years’ - BBC News, Accessed June 2021.

The 2020 IRC Report also outlines resources to promote active citizenship and lawfulness among young people developed by the Council for the Curriculum, Examinations and Assessment. A range of initiatives carried out through the Education Authority's Youth Service Capacity Building Programme have begun to deliver significant results for vulnerable young people at risk from paramilitary groups, often through partnership with the PSNI, such as the 'Steer Teenagers Away from Recurrent Trouble' (START) programme and the 'Supporting Youth Through Engagement Programme'. Four geographical interventions in East Belfast, South Belfast, Rathcoole and Derry, where educational support is provided to children and young people via the WRAP Programme (to provide wraparound education services to children and young people facing significant challenges) is also delivering positive results.

As discussed above, ongoing COVID-19-related disruption has been compounded by further economic and political uncertainty caused since January 2021 by the implementation of the Northern Ireland Protocol. There is a corresponding concern that any increase in socio-economic deprivation as a result of the current COVID-19 pandemic may help to tighten the grip of paramilitary groups still further in certain communities.<sup>420</sup>

## Conclusion

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There are specific, persistent and often intractable challenges in improving social mobility in Northern Ireland. While the Troubles may have ended, many problems remain, including high levels of community division, social deprivation and economic inactivity, over-reliance on public sector employment, and a shortage of social housing. These challenges have been exacerbated by several specific circumstances, most notably the collapse of the Northern Ireland Executive and devolved legislative Assembly from January 2017 to January 2020, and the post-Brexit Northern Ireland Protocol, which has created new bureaucratic challenges for Northern Ireland businesses trading with the rest of the UK.

The COVID-19 pandemic has clearly further compounded existing challenges. This will have a profound impact on social mobility, as evidenced in education and employment in particular, with the young and economically disadvantaged disproportionately affected.

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<sup>420</sup> Independent Reporting Commission, Third Report, 2020.



Social Mobility  
Commission

# Scotland



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## Highlights

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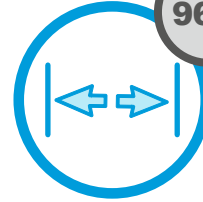


Scotland is often perceived to be a place with good prospects for social mobility; reality does not always match this – although the Scottish Government has used devolved powers to develop many ambitious policies and initiatives on poverty and inequality that could impact social mobility in decades to come, social mobility outcomes have not yet shifted and there is no explicit strategy to address it.



24.3

Scotland has consistently had low rates of child poverty compared to England and Wales, but 24.3%, or 240,000 children, remain in poverty. This is damaging to those children's future social mobility prospects. Scotland has more generous child poverty benefits than the UK Government and strategically focuses on lowering rates, which we applaud.



96%

Educational attainment gaps, a key driver of metric of social mobility, are narrowing but they are still substantial. Only about 83% of pupils from the most deprived areas reach the expected standard at secondary school, compared to 96% of pupils from the least deprived areas. The gap has been stuck at 14 percentage points for the last three years and will likely be exacerbated by COVID-19.



58%

The proportion of professional jobs has increased, creating space for mobility. However, 58% of those from professional backgrounds end up in these jobs, compared to 36% of those from working class backgrounds.



Scotland was the first UK nation to have enacted a 'socio-economic duty', requiring public authorities to consider socio-economic inequalities when making decisions.



Unemployment among those from working class backgrounds and young people fell more in Scotland than in other UK nations before the pandemic (around one extra percentage point between 2016 and 2019).

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## Highlights

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Free tuition creates equality of opportunity to access higher education but not necessarily of outcome. Lack of fees may inadvertently benefit students from wealthier backgrounds more and leave fewer funds to support disadvantaged students. The gap in progression to higher education between young people from most and least deprived areas is large (24.5% and 57.2% respectively in 2018-19) although it has narrowed in the last decade (from 38.1 to 32.8 percentage points).



Place matters in Scotland: deprived and post-industrial areas have the worst education and employment outcomes. Poverty, a key factor in social mobility, is concentrated in the larger cities but also some areas surrounding Glasgow and rural areas.

### The social mobility context in Scotland

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**Scotland has a tradition of being attached to the idea that a ‘lad o’pairs’ – in modern terms, a talented youth – will be able to realise their full potential.**<sup>421</sup>

Arguably, this is as important to Scotland’s self-image as the ‘American Dream’ is to that of the USA.

However, this portrayal of a nation that harnesses social mobility for individual advancement and common good may not be historically accurate. In the 19th and for much of the 20th century, many Scots emigrated to seek opportunities they were denied at home. Many contemporary Scots also seem sceptical about it. Only 49% of Scottish respondents in our 2021 ‘Social Mobility Barometer’ felt that there were ‘good’ opportunities available for people in Scotland to progress.<sup>422</sup>

This current pessimism may reflect concern about the disproportionate impact of the pandemic on the most disadvantaged in society. Women, disabled people, children and young people, and those from ethnic minority backgrounds were already at greater risk of living in poverty, and COVID-19 has only added to this disparity.<sup>423</sup>

As well as increased poverty, disadvantaged people in Scotland have experienced, and are likely to continue experiencing, decreased educational attainment and poorer employment opportunities as a result of the pandemic.<sup>424</sup>

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<sup>421</sup> A term from Scottish educational history referring to a boy, particularly one from a humble background, who is considered talented or promising. It represents an ideal within the Scottish education system of the time that talented young men should be able to achieve success through open access to education.

<sup>422</sup> Social Mobility Commission, [Social mobility barometer 2021](#), 2021.

<sup>423</sup> Poverty Alliance, [A Scotland for all of us: Poverty Alliance 2021 Scottish Parliament election manifesto](#), 2021.

<sup>424</sup> Housing and Social Justice Directorate, [The impact of COVID-19 on equality in Scotland](#), 2020.



### **What powers does the Scottish Government and Holyrood hold?**

The Scotland Act 1998 and previous legislation gave devolved responsibility to the Scottish Government and Parliament (Holyrood) in several areas central to social mobility (such as education and training), some areas important to it (such as housing, local government, internal transport, health, social work and local economic development) and others that are more marginal (such as justice and policing, environment, tourism, sport and heritage, and agriculture, forestry and fisheries). Notably, some key areas central to social mobility such as employment, equal opportunities (excluding public boards), financial and macro-economic matters, and work-related social security remained with the UK Government.

Devolution was deepened in 2016 as a direct response to the referendum on independence. The Scotland Act 2016 gave the Scottish Government responsibilities in additional areas pertinent to social mobility, such as social security and taxation (with the specific power to raise income tax rates by +/- 3%).

### **The policy and strategy context**



There is no specific social mobility strategy in Scotland.

The Scottish Government has used its devolved powers to pass legislation, set targets and take action to reduce poverty and increase fairness, some of which is pertinent to social mobility. However, there is no specific social mobility strategy in Scotland. Social mobility is implied rather than pursued directly; it may result if actions in related areas are successful, but it is not the primary focus. To achieve social mobility, a combined focus on poverty, inequality and social mobility is required.

Furthermore, the Scottish Government is still working in silos and policies do not always align, with relevant measures in the three areas covered below – education, work and poverty – not always effectively joined up.<sup>425</sup>

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<sup>425</sup> Coutts and Brotchie, [The Scottish Approach to Evidence](#), 2016.

Several overarching national strategies and vision statements set out the nation's priorities.<sup>426, 427, 428</sup> The advisory Poverty and Inequality Commission, set up in 2016 and made statutory in 2019, provides oversight of progress in some of these areas.

The Fairer Scotland Action Plan sets out an “ambition for a country where poverty rates are amongst the lowest in Europe, and where there is genuine equality of opportunity for all by 2030”.<sup>429</sup> The plan's five ambitions are: a fairer Scotland for all, ending child poverty, a strong start for all young people, fairer working lives and a thriving third age. These ambitions and many of the 50 actions in the plan help to shape the environment necessary for social mobility, with some directly focused on particular aspects of it. These include community-based interventions to reduce reoffending and help past offenders to move on; widening access to university; and supporting experienced women to return to work after a career break.

Many of the 81 National Indicators in Scotland's National Performance Framework are relevant to monitoring progress on social mobility, including indicators of educational attainment, workplace learning and social capital. The Scottish Government's 'Equality Evidence Finder' breaks down changes in these indicators by age, disability, ethnicity, gender, religion, sexual orientation, socio-economic status and transgender status.<sup>430</sup>



Scotland became the first UK nation to enact a socio-economic duty.

In 2018, Scotland became the first UK nation to enact a socio-economic duty alongside the protections for vulnerable groups provided by the Equality Act 2010. The Fairer Scotland Duty requires public authorities to give due regard to socio-economic inequalities when making decisions. The Scottish Government is currently consulting on updated guidance on this.<sup>431</sup> An evaluation of the impact of the socio-economic duty so far by the Equality and Human Rights Commission found that several public bodies report that the duty is beginning to have an impact and influence the outcomes of decisions.<sup>432</sup> However, several things were identified, such as clearer success criteria and impact measurement, and greater focus on changes to outcomes, as vital to ensure the future success of the duty.<sup>433</sup>

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<sup>426</sup> Scottish Government, [National Performance Framework](#), Accessed March 2021.

<sup>427</sup> Housing and Social Justice Directorate, [Fairer Scotland Action Plan](#), 2016.

<sup>428</sup> Housing and Social Justice Directorate, [If not now, when? - Social Renewal Advisory Board report: January 2021](#), 2021.

<sup>429</sup> Housing and Social Justice Directorate, [Fairer Scotland action plan](#), 2020.

<sup>430</sup> Scottish Government, [Equality evidence finder](#), Accessed March 2021.

<sup>431</sup> Housing and Social Justice Directorate, [Fairer Scotland Duty: interim guidance for public bodies](#), 2018.

<sup>432</sup> Equality and Human Rights Commission, [Evaluating the socio-economic duty in Scotland and Wales](#), 2021.

<sup>433</sup> Ibid.



In education, legislation includes a focus on improving attainment for pupils from poorer backgrounds and increasing access to higher education (HE) for under-represented groups.

The most recent major initiative relevant to social mobility in Scotland is the Scottish Government's response to the Social Renewal Board, established to recommend ways to address the challenges raised by the COVID-19 pandemic. The Board's report issued 20 'calls to action'. As with the national strategies, this challenge report ('If Not Now, When?') relates to the conditions required for social mobility, but it also recommends some direct actions, most notably: "focus Fair Work actions on the people most affected by the pandemic". The Scottish Government's response broadly welcomed the report and committed to a more detailed action by action response in the near future.<sup>434</sup>

In short, current and previous Scottish governments have stated firm commitments to greater equality of opportunity, addressing socio-economic inequalities and increasing social inclusion, and there has been a wealth of activity to support these commitments. However, these efforts have not yet shifted outcomes and delivered significant increases in social mobility, nor have they altered the deeper social and economic conditions which determine it.

In our State of the Nation 2017 report, we noted that the approach to social policy in Scotland often differed from that of the UK as a whole. Actions to tackle poverty, reduce income inequality and address area deprivation are aimed at increasing community empowerment and emphasise equality and citizenship rights.<sup>435</sup> For example, several major 'equality' measures (e.g. free prescriptions) are presented as preserving universal citizenship rights or addressing particular disadvantages faced by protected groups (e.g. women, disabled people, carers). Whilst there are policies more closely related to social mobility outcomes, particularly those set out in the Tackling Child Poverty Delivery Plan, the focus is more on reaffirming rights and entitlements rather than promoting social mobility. This reflects the Scottish Government's commitment to 'inclusive growth', aiming to provide a foundation of entitlements that leaves no one behind.



While these policies may contribute to social mobility in some ways and mirror some aspects of wider UK policy, the approach has not always ensured sufficient progress.

While these policies may contribute to social mobility in some ways and mirror some aspects of wider UK policy, the approach has not always ensured sufficient progress. Our analysis shows persistent opportunity gaps in recent years. Despite significant investment, there have been no marked or sustained recent reductions in educational

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<sup>434</sup> Director-General Education and Justice, [Social Renewal Advisory Board: our response](#), 2021.

<sup>435</sup> Social Mobility Commission, [State of the nation 2017](#), 2017.

attainment gaps, increases in relative access to higher-paid jobs and more valued occupations, income and wealth inequalities or in overall poverty levels. We note that Scotland has had consistently lower rates of child poverty compared to England, Northern Ireland and Wales but even there, rates of persistent child poverty have become entrenched.

In this chapter, we argue that more focus is needed on the causes of inequalities and disadvantage. The Scottish Government's efforts to reduce inequalities and disadvantage would be enhanced if overlaid with a social mobility strategy. This would enable a move away from some of its current universal entitlement policies, which most benefit those in more affluent areas, who live longer and whose children are more likely to attend university.

More measures are needed to improve the circumstances of the lowest-income households. These include increasing the value of the Scottish Child Payment and reversing recent cuts by the UK Government to welfare rights and money advice services in some parts of Scotland. Scotland also needs to develop ways to replicate the advantages enjoyed by more privileged groups for disadvantaged young people, such as by extending opportunities for learning and acquiring employment experience through paid internships and employment experience placements.

### **Trends in social mobility in Scotland: Overview**

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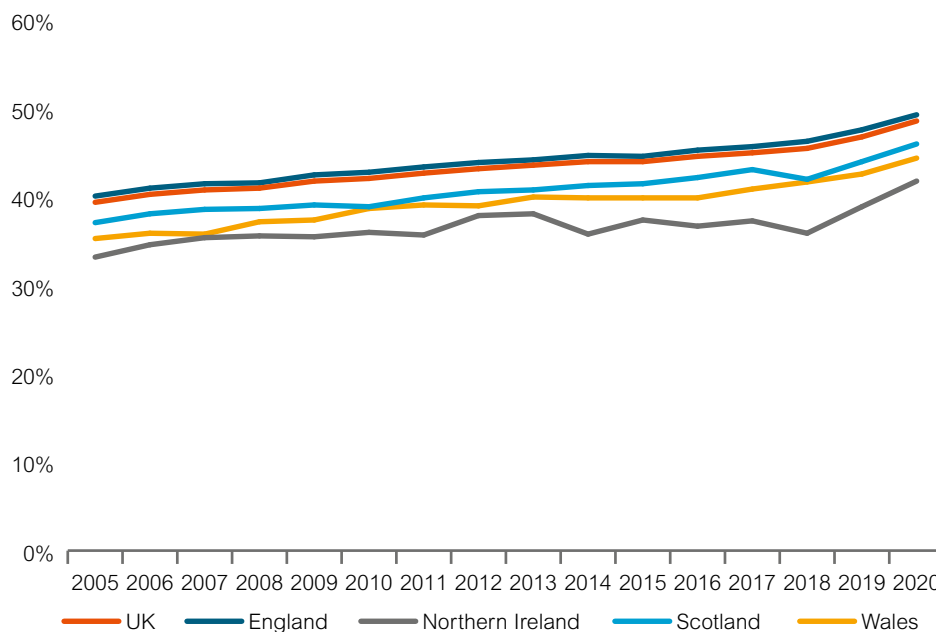
As with the rest of the UK, the proportion of professional jobs in Scotland has increased over time, with more marked increases in recent years (see figure 4.1). The percentage of individuals in professional or managerial occupations (see Technical Annex A for definition) in Scotland was 46% in 2020, slightly lower than for the UK as a whole (48%), but higher than in Wales and Northern Ireland. The proportion of workers in professional or managerial occupations in Scotland is now more than double the proportion in working class occupations (46%, compared with 22% in 2020).

This could provide more opportunities for social mobility, as it means more room at the 'top' and thus more opportunities for those from lower socio-economic backgrounds (see Technical Annex A for definition) to be upwardly mobile.<sup>436</sup>

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<sup>436</sup> This section draws on analysis commissioned by SMC.

**Figure 4.1:** Percentage of people in professional jobs across the labour market, in each nation of the UK



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Data refers to those in employment

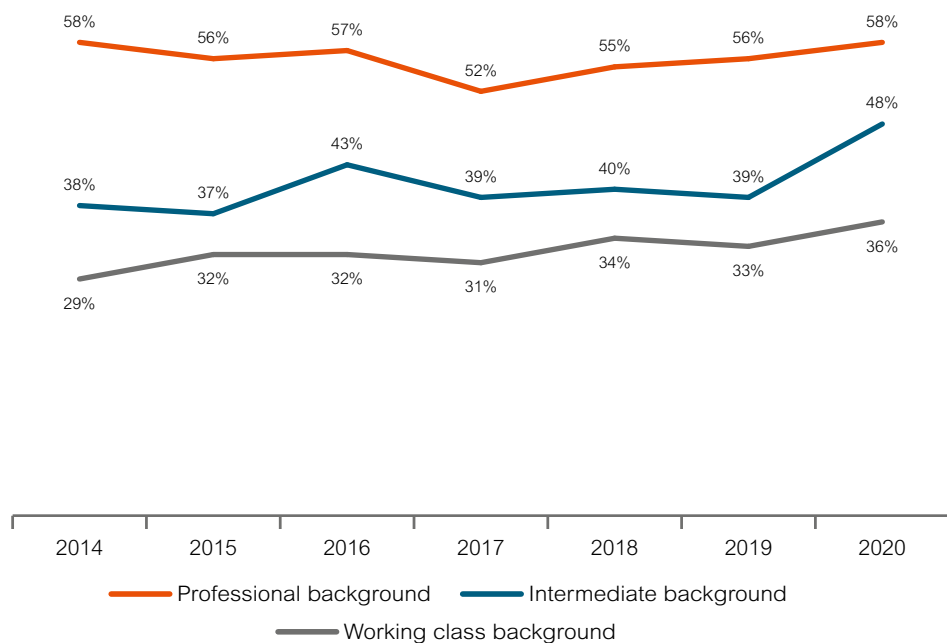
However, those from professional backgrounds are still better able to access professional jobs than those from intermediate and working class backgrounds in all the UK nations.<sup>437</sup>

In Scotland, the share of individuals from professional backgrounds who are themselves in professional and managerial occupations is slightly lower than for the UK as a whole (58% vs. 62% respectively), with no overall change between 2014 and 2020. Scotland has slightly outperformed in this manner. In England and Northern Ireland, those from professional backgrounds have increased their share of professional jobs since 2014, whereas in Scotland it has flatlined. Scotland is still far off from good levels of social mobility – those from professional backgrounds are still more likely to get ‘top’ jobs – but holding constant while other nations get worse is a small comparative gain. Wales, by comparison, has seen more improvement with a decline in those from professional backgrounds in professional jobs.

While access to professional jobs for those from intermediate and working class backgrounds is still poor (48% and 36% respectively) than it is for those from professional backgrounds, it has improved (figure 4.2). This is true across the UK – slightly more people from working class backgrounds are becoming upwardly mobile – though progress is slow moving.

<sup>437</sup> For definitions of socio-economic background please see the glossary in Technical Annex A.

**Figure 4.2:** How likely are people from different backgrounds to be in a professional occupation in Scotland?

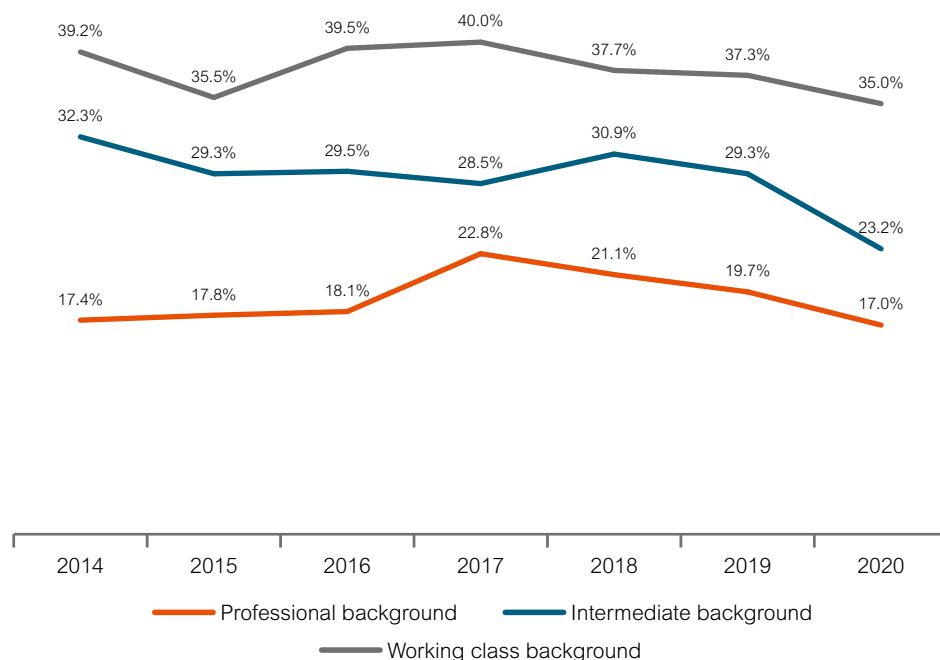


**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** People age 25 to 60. Margin of error varies from 2.4% to 4.6% for individual statistics, so individual changes should be interpreted with caution

Individuals from working class backgrounds (See Technical Annex A for definitions) are twice as likely as those from professional backgrounds to be in working class occupations. Trends over time are similar to UK-wide trends, with a falling share of those from intermediate and working class backgrounds in working class jobs (for example, from 39% of those from working class backgrounds in 2014 to 35% in 2020). (See figure 4.3).

**Figure 4.3:** How likely are people from different backgrounds to be in a working class occupation in Scotland?



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** People age 25 to 60. Margin of error varies from 2.4% to 4.6% for individual statistics, so individual changes should be interpreted with caution. See Appendix Table B1 for sample sizes and 95% confidence intervals

In the remainder of this chapter, we look at how these trends play out in relation to social mobility indicators in the specific domains of education, employment and poverty.

## Education

Education reflects and reinforces economic and social divisions if the circumstances which impede children's learning are not addressed. High-profile Scottish Government interventions have aimed at improving educational outcomes, focusing particularly on improved attainment among the most disadvantaged but the evidence suggests that success has been limited.

### Pre-school education

The Children and Young People Act (Scotland) 2014 created a statutory duty for Scotland's 32 local authorities to provide 600 hours of funded early learning and care to eligible two-year-olds (where the family receives qualifying benefits) and all three- and four-year-olds.<sup>438</sup> In April 2018, the Scottish Government and the Convention of Scottish Local Authorities (COSLA) agreed to almost double the commitment to 1,140 hours a

<sup>438</sup> Scottish Parliament, [Children and Young People \(Scotland\) Act 2014](#), Accessed March 2021.

year from August 2020. This obligation was paused while local authorities responded to COVID-19, before being reset for August 2021. The aims of the Act include improving children's outcomes, helping to close the poverty-related attainment gap, and supporting parents into work, study or training, all of which are relevant to social mobility.

There is abundant evidence that expanding funded childcare can enable better outcomes for children, as well as reducing costs and freeing parents (primarily mothers) to take up employment opportunities. The success of this depends on overcoming barriers that can prevent people from taking up the available childcare, such as a perception of low-quality provision, or care that is not available at the times when parents need it for labour market participation. A critical issue is that the cost of additional childcare beyond the 1,140 hours may still be too high for low-income families.



## Case study

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### Zahida Kosar, 40

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Zahida Kosar, 40, from Glasgow, found herself struggling after her marriage broke up. Taking care of a young child with health difficulties by herself meant it was hard to find work or pay her bills.



*“I worked most of my life. Then I went on maternity leave. Then my marriage broke up and my daughter was really ill. When I did go back to work, I couldn’t fit everything in because the nursery would ring me and say ‘She needs to go to hospital’.”*

Zahida took some time off, but without local family and friends to support her, she was unable to continue working.

*“I was left alone and lost my job and it all started collapsing on me; one thing after another. It’s hard for a single mum to obtain a full-time job when a child is ill and in and out of hospital.”*

Soon Zahida got into financial difficulties.

*“I couldn’t afford to keep my electric going and I couldn’t afford to buy milk. I was watering down milk for my daughter. I was in a bit of a state. I was in financial crisis. I just didn’t know how to do anything. Didn’t know about benefits or anything.”*

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A health visitor noticed Zahida was struggling and referred her to One Parent Families Scotland (OPFS), an organisation that gives support and advice to single parents.

*“Joining the course, I was very scared. I could hardly speak without actually crying. I avoided the meetings at first. I just wouldn’t turn up. I didn’t want to get out. I think it was facing reality.”*

Zahida has now been working with OPFS for several years, taking courses on health and wellbeing, first aid, and employment skills.

*“They helped me sort out my benefits and apply for those I was entitled to. I think I’ve grown in confidence. I can talk better. Just being able to make a CV and know what my strengths are is important. I used to think: why would anyone want to employ me? Now I know I can turn my dreams into reality.”*

Times have been tough, but Zahida is hopeful for the future.

I want to give my daughter a present on Eid or Christmas and be able to give her nice, warm surroundings and a roof over her head. I want to be able to go out and work and show my daughter that if my daughter wants something it’s not always ‘Mummy can’t afford that just yet,’ and show her that if we work hard, we can enjoy life. Also, I’ve always wanted to be a teacher. Maybe once I’m out there, and I’ve got a job I can afford to go out there and get a course done and maybe take that first step.



## School education

The Scottish Attainment Challenge (launched in 2015) aims to reduce the gap in education outcomes in literacy, numeracy, and health and wellbeing in Scottish schools. The Challenge also tackles “the poverty-related attainment gap” for children and young people living in deprived areas. It includes a mixture of targeted interventions and universal support. Targeted interventions are funded by the Attainment Scotland Fund in nine ‘Challenge Authorities’ (Glasgow, Dundee, Inverclyde, West Dunbartonshire, North Ayrshire, Clackmannanshire, North Lanarkshire, East Ayrshire and Renfrewshire). Efforts initially focus on primary schools – targeting improvements in literacy, numeracy, health and wellbeing. A Scottish Attainment Challenge v2.0 will be launched later in 2021.

The Schools Programme supports primary schools (and some secondary schools) outside Challenge Authorities where a significant proportion of pupils are judged to be disadvantaged. The Pupil Equity Fund allocates additional funding directly to schools (from Primary 1 to Secondary 3) on the basis of free school meals (FSM) entitlement, with head teachers responsible for local interventions. This is underpinned by a wider package of universal support, including a named attainment adviser in each local education authority.

Despite such efforts, challenges remain in tackling the poverty-related attainment gap. Educational outcomes are particularly poor for care-experienced young people, Gypsy/ Travellers and White Scottish/UK boys.<sup>439</sup> Audit Scotland has been critical of the return on the investment in closing the poverty-related attainment gap.<sup>440</sup>

There is a flourishing private education sector in Edinburgh and Glasgow, and private tutoring is more prevalent in more affluent areas as parents seek advantage for their children. Parents with more resources are better able to secure advantages within the state system by moving to areas with what are perceived as ‘better schools’. The Poverty Alliance has commended some of the actions taken to mitigate disadvantage, such as the use of contextualised offers to students applying for university.<sup>441</sup> These measures only partially compensate for the structural factors that limit educational opportunity in Scotland.

On the other hand, there is some evidence of progress in improving educational outcomes for the most disadvantaged, in work that tackles some of the factors that hamper social mobility.<sup>442</sup> For example, there is evidence of small increases in the proportion of pupils achieving the expected Curriculum for Excellence (CfE) levels in reading, writing, listening and talking, literacy, and numeracy.<sup>443</sup>

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<sup>439</sup> The Poverty Alliance and The Robertson Trust, [The poverty-related attainment gap](#), 2021.

<sup>440</sup> Audit Scotland, [Improving outcomes for young people through school education](#), 2021.

<sup>441</sup> The Robertson Trust, [Poverty-related attainment gap: evidence review](#), 2021.

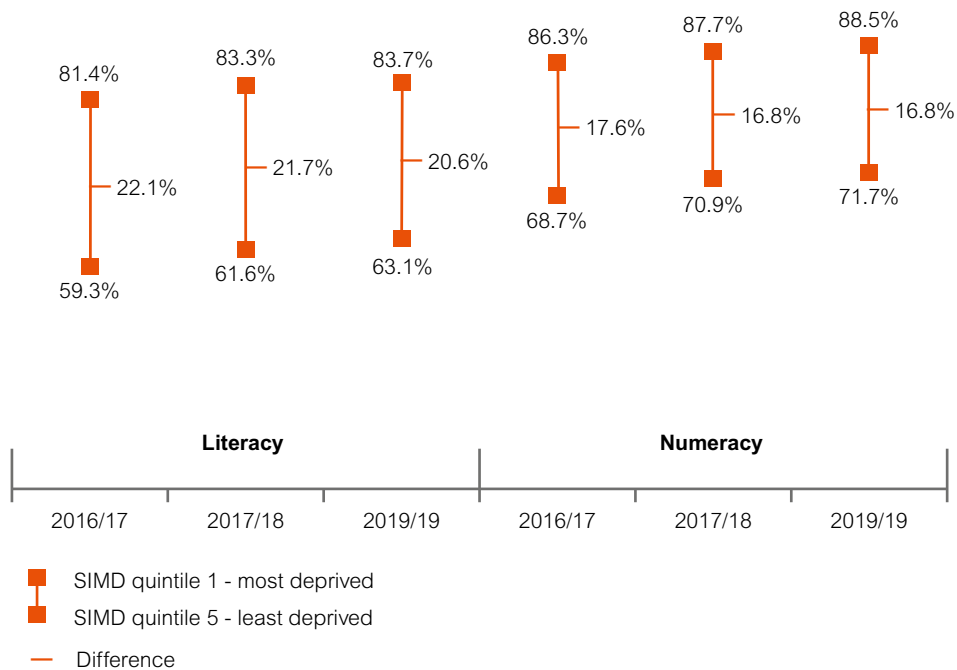
<sup>442</sup> Cabinet Secretary for Education and Skills, [Closing the poverty-related attainment gap: progress report 2016 to 2021](#), 2021.

<sup>443</sup> Education Scotland, [What is curriculum for excellence?](#), Accessed June 2021.

However, a significant minority of pupils are not achieving expected levels. The proportion of Secondary 3 pupils attaining the fourth level in CfE outcomes is particularly concerning: below 60% in reading, writing, listening and talking and in numeracy, and just 48% in literacy. When we look at the third level of those outcomes, the proportion of pupils in the most deprived areas achieving this standard in literacy and numeracy has increased from around 81% to 83% from 2016-17 to 2018-19. However, the proportion of those from the least deprived areas achieving this standard has also increased slightly; this means that the gap between these groups has remained fairly steady at around 14 percentage points over this time.<sup>444</sup>

The key for social mobility is not the overall performance of all children in Scotland but the attainment gaps between children from different backgrounds. Although narrowing, these gaps are substantial and the pace of change falls far short of transformative, as figure 4.4 shows for primary pupils.

**Figure 4.4:** Percentage of pupils achieving expected level in Literacy and Numeracy by Scottish Index of Multiple Deprivation decile



Source: Cabinet Secretary for Education and Skills, [Closing the poverty-related attainment gap: progress report 2016 to 2021](#), 2021

There may also be a geographical element to these performance patterns, with children from remote areas (small towns and rural areas) consistently underperforming relative to those from urban and more accessible rural areas. These differences are marked in

<sup>444</sup> Cabinet Secretary for Education and Skills, [Closing the poverty-related attainment gap: A report on progress report 2016 to 2021](#), 2021.

primary school but less so in secondary school: 66% of pupils in remote small towns and 70% in remote rural areas meet CfE Second Level standards in numeracy by Primary 7, compared with 76% for Scotland as a whole.

Local authorities are still investigating the learning loss caused by COVID-19-related lockdowns, and the Scottish Government has begun to take steps to mitigate this loss and help young people to catch-up. Higher and Advanced Higher exams (see glossary), in 2021 as in 2020, will be based on teacher judgement, evidenced through local assessment. An enhanced ‘summer of play’ is designed to support general wellbeing.<sup>445</sup> In announcing this initiative in March 2021, the Scottish Government gave notice that it would develop other aspects of its education recovery strategy “over the next few months”.

### Further and higher education

Scottish colleges educate over 260,000 students and receive funding of around £650 million each year, with a mission to develop an educated and skilled workforce.<sup>446</sup> However, they work in an increasingly tight financial environment, and most colleges predict a financial deficit by 2022-23.<sup>447</sup>

This could lead to downward social mobility if it results in an increase in the already-large attainment gap in further education (FE) between those from different socio-economic backgrounds or reduces the sector’s contribution to upskilling those from lower socio-economic backgrounds to move from unskilled to skilled occupations or from non-working to working status.

Scotland’s Framework for Fair Access helps to plan and evaluate ways of assisting those from disadvantaged backgrounds to access higher education.<sup>448</sup> Scotland’s Commissioner for Fair Access is responsible for overseeing the framework, introduced in May 2019, and reporting on annual progress.<sup>449, 450</sup>

Equality of opportunity to access higher education does not assure equality of outcomes in education. Indeed, there is concern that free tuition fees hinder social mobility by inadvertently benefitting students from the wealthiest backgrounds who are more likely to go to university, and participation rates amongst poorer students are lower in Scotland than elsewhere in the UK where tuition fees are paid.<sup>451</sup> At the same time, fewer funds are available to provide financial support for the most disadvantaged students, with the system providing only small bursaries and access to loans to support living costs during study.<sup>452</sup>

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<sup>445</sup> Scottish Government, [Enhanced summer offer for all children](#), 2021.

<sup>446</sup> Colleges Scotland, [Keyfacts 2020](#), 2021.

<sup>447</sup> Audit Scotland, [Scotland’s colleges 2019](#), 2019.

<sup>448</sup> Advanced Learning and Science Directorate, [Universities: framework for fair access](#), Accessed March 2021.

<sup>449</sup> Advanced Learning and Science Directorate, [A blueprint for fairness: final report of the Commission on Widening Access](#), 2016.

<sup>450</sup> Commissioner for Fair Access, [Fair access to Higher Education: progress and challenges](#), 2020.

<sup>451</sup> Sutton Trust, [Access in Scotland](#), 2016.

<sup>452</sup> Centre for Research in Education Inclusion and Diversity, [CREID briefing 33: access to higher education in Scotland](#), 2016.



The gap in progression to higher education between young people from most and least deprived areas is large (24.5% and 57.2% respectively in 2018-19).

Post-school destinations are tracked as a way of measuring performance: higher education, further education, training, employment, voluntary work, personal skills development or (between 2010-11 and 2017-18) an activity agreement are defined as positive destinations. Most pupils in Scotland progress from school to a positive destination: 92.9% in 2018-19, a significant increase on 85.9% a decade ago. But progress has now stalled, the effect of the pandemic is yet to be known, and positive destinations are less likely for those from the most deprived areas (88.3% in 2018-19, compared with 96.7% from the 20% least deprived areas). The gap in progression to higher education between young people from most and least deprived areas is large (24.5% and 57.2% respectively in 2018-19), although it has narrowed significantly over the last decade (from 38.1 to 32.8 percentage points).

An FE/HE Student Hardship Taskforce was formed in February 2021 to assess the impact of the pandemic on student hardship and to determine if support (national and institutional) is sufficient. This work is still in progress. Some institutions introduced a 'no detriment' policy, and all have introduced a range of measures to mitigate the impact of the pandemic on disadvantaged students.<sup>453</sup>



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<sup>453</sup> 'No detriment' is the principle that, when there is significant and unavoidable disruption to studies, students are not disadvantaged by receiving grades that are lower than might otherwise be expected. The approach to applying 'no detriment' varies across institutions.

## Impact of COVID-19

In relation to education across all ages and levels in Scotland, there is little evidence of significant reductions in attainment gaps or improved social mobility opportunities.

The effects of the pandemic seem likely to reinforce this conclusion. Research has found high levels of concern among senior local leaders about the impact of COVID-19 on children's education experiences and attainment.<sup>454</sup>

Particular concern was expressed about varied experiences of online learning and the potential negative consequences of digital exclusion. The Scottish Government has invested £43 million to improve digital access for 50,000 low-income households, providing a device, internet connection, training and support to get people online. The Fairer Scotland Action Plan progress report also acknowledged the issue, and that the Scottish Government committed to investing £30 million in a 'digital boost' that includes £25 million to provide laptops for disadvantaged children and young people to enable them to study online.<sup>455</sup>

However, a recent review of COVID-19-related catch-up programmes across the UK found that funding per pupil, announced to date, was less generous in Scotland than in Wales and England and previous analysis has shown it is 'poorly targeted', with a lower proportion of funds directed at the most disadvantaged pupils.<sup>456, 457</sup>

## Employment

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The Scottish Government's approach to employment has laudable aspirations. It is less clear whether enough resources are being invested in employability initiatives that can meet those aspirations. In particular, there is little or no evidence that the level of quality on-the-job training needed to strengthen employment as an engine of social mobility is being provided. The persistent labour market challenges faced across the UK are present in Scotland; for example, many low-paid employees become 'stuck' in low-paid work rather than being able to use it as a first step on the ladder of career progression.<sup>458</sup> There are no signs of significant change in this. In fact, concerns have been raised in Scotland about young people's experience of the labour market and future employment prospects, including their exposure to precarious working conditions.<sup>459</sup>

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<sup>454</sup> Scottish Poverty and Inequality Research Unit, [Learning from local responses to child poverty during the COVID-19 crisis](#), 2021.

<sup>455</sup> Ibid.

<sup>456</sup> Education Policy Institute, [Education reopening and catch-up support across the UK](#), 2021.

<sup>457</sup> Education Policy Institute, [Comparing education catch-up spending within and outside the UK](#), 2021.

<sup>458</sup> Social Mobility Commission, [The great escape? Low pay and progression in the UK's labour market](#), 2017.

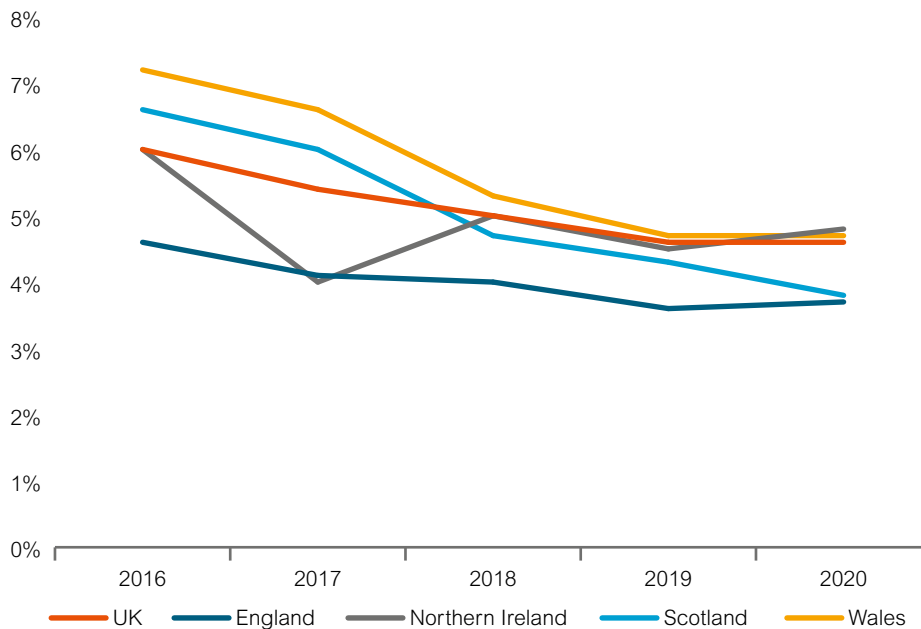
<sup>459</sup> Progressive Partnership for the Scottish Government, [Young people's experiences of precarious and flexible work](#), 2021.



Unemployment among those from working class backgrounds had fallen more in Scotland than in other UK nations.

Prior to the pandemic, unemployment among those from working class backgrounds had fallen more in Scotland than in other UK nations (figure 4.5).<sup>460</sup>

**Figure 4.5:** Unemployment of those from working class backgrounds in each nation in the United Kingdom (three year moving averages)



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** UK: People aged 16 to 64. Margin of error varies from 0.3% to 0.5% for individual statistics. England: Margin of error varies from 0.2% to 0.3% for individual statistics. Northern Ireland: Margin of error varies from 0.6% to 1.1% for individual statistics, so changes across individual years should be treated with caution. Scotland: Margin of error varies from 0.6% to 0.9% for individual statistics, so changes across individual years should be treated with caution. Wales: Margin of error varies from 0.8% to 1.2% for individual statistics, so changes across individual years should be treated with caution. See Appendix Table B3 for sample sizes and 95% confidence intervals

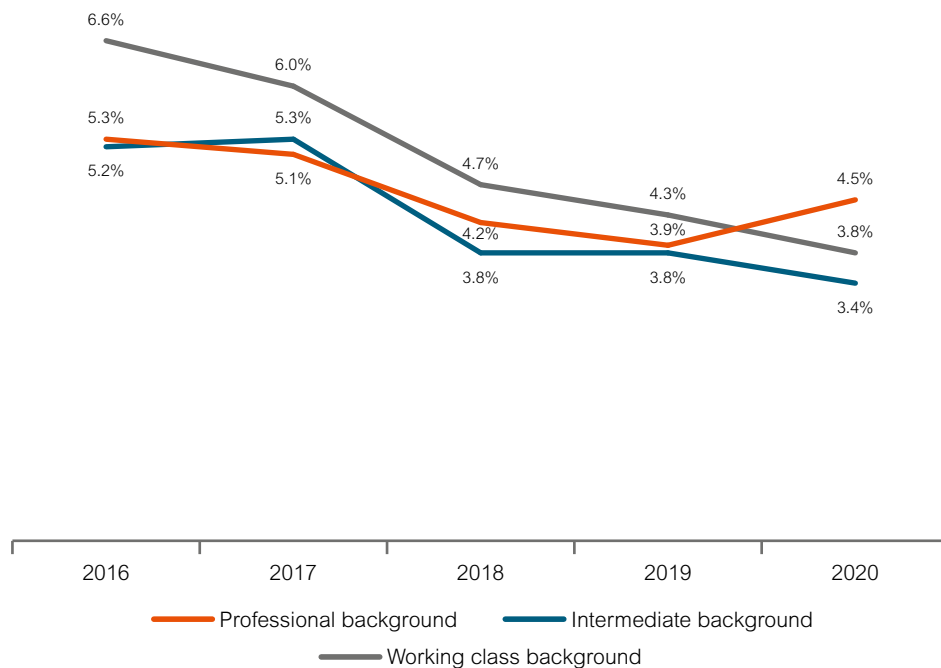
The rate had fallen for 16- to 64-year-olds from all backgrounds but had, for the most part, been relatively higher for those from working class backgrounds.

At the onset of COVID-19, the risk of unemployment notably became marginally lower for those from intermediate and working class backgrounds than for those from professional backgrounds (respectively, 3.4%, 3.8% and 4.5%, see figure 4.6).

<sup>460</sup> Uses 3 year moving average to get sufficient sample sizes. Changes across individual years should be treated with some caution due to margin of error.

Although this appears to be a continuation of a trend for those from working class and intermediate backgrounds, it diverges from the trend for those from professional backgrounds. It will be important to pay attention to future data to establish whether this is part of a new trend and to consider the impact of the pandemic on these trajectories.

**Figure 4.6:** Unemployment rate by socio-economic background (three year moving average)



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** People age 16 to 64. Margin of error varies from 0.6% to 0.9% for individual statistics, so changes across individual years should be treated with caution. See Appendix Table B3 for sample sizes and 95% confidence intervals

Security of employment and career progression prospects in roles taken up by those entering employment must also be considered to fully understand whether or not these jobs are contributing to social mobility in Scotland.

As discussed in Chapter 1, the efficacy of the UK’s introduction of the Coronavirus Job Retention Scheme (CJRS) has been vital to protecting jobs. Without this and other similar schemes, higher rates of unemployment would have been expected during the pandemic.<sup>461</sup>

Nonetheless, employment sectors that provide the first rung on the ladder for many (e.g. hospitality, retail) may take several years to recover; even then, they may not provide the same kind of employment opportunities as before. There is a risk that the jobs which replace those lost will be of poorer quality.

<sup>461</sup> HM Revenue and Customs, [Coronavirus Job Retention Scheme statistics: 6 May 2021](#), 2021.



Before the pandemic, Scotland was on course to reduce youth unemployment by 40% by 2021. It is clear this target will not now be met.

The COVID-19 pandemic seems likely to exacerbate some of the negative trends, particularly for young people.<sup>462</sup> Before the pandemic, Scotland was on course to reduce youth unemployment by 40% by 2021 – one of the ‘Fairer Scotland Action Plan’ commitments. It is clear that this target will not now be met. The relevant skills and funding bodies are looking in more detail at the implications the pandemic will have for the implementation of the ‘Developing the Young Workforce’ (DYW) youth employment strategy and for the wider skills landscape.<sup>463</sup>

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<sup>462</sup> Ibid.

<sup>463</sup> Scottish Government, [Fairer Scotland action plan: progress report 2020](#), 2020.



### Street League

**Street League works with young people, using sport to help them into employment, education and training.**



Steven Jardine, Operations Manager for Edinburgh and Lothians, says the young people they work with are struggling with numerous issues, including urban deprivation, low educational attainment and lack of preparation for the workplace.

*“Some are second or third generation unemployed and haven’t experienced the world of work. Broken homes. Care experienced. The young people we receive who are school leavers aren’t aware of what the world of work is. That could be as simple as knowing what a CV is, how to set up an email address, reply to an email, or attach a document to an email.”*

Some also have limited experience of travelling independently.

*“We work in Livingston, which is only 15 miles from Edinburgh, but some of the young people have never been. They don’t always have the means to do it. They make the decision to leave school and they may no longer receive Education Maintenance Allowance. You have to spend around £20 a week to get a bus pass. That’s a big ask when maybe at that age you have different priorities.”*

Street League uses sports, including football, multi-sports, fitness and dance, to connect with young people and encourage them to engage with their personal development and life skills programme.

*“You are more likely to engage with this than standing up at a whiteboard and writing. That young person in the corner who’s not saying much? As soon as they’re out on the football pitch, they’re instructing people and shouting at top of their voice. It’s taking them to an area they’re comfortable with to make sure you can get potential out of them.”*

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Football is also accessible to people from diverse backgrounds. “If you get people from all walks of life onto a football pitch and roll a ball about, you know they’re all going to join in. There’s a shared language.”

Born in Bulgaria, Shenol Ahmed, 17, from Edinburgh, joined Street League after arriving in Scotland from Poland at 15.

I came with my family, my mum and dad. First it was hard because I wasn’t speaking English. I knew only ‘Hi, how are you?’.

Shenol attended Street League after leaving school. Now he is studying football coaching at college.

*“I study because I like football and I want to be a football player.”*

Steven Jardine says what the young people need above all is better information about the world of work.

*“We believe that by using sport to get people onside and build a rapport with them they’re much more up for talking about CVs and how they should behave in a job interview. The majority of people we work with are school leavers. This is their first experience of the big wide world.”*

The Scottish Government's December 2020 progress report acknowledges that it is not only young adult workers who have been vulnerable to disproportionate adverse impact from COVID-19: "The pandemic has had a disproportionate impact on women's jobs and incomes. Women have made up the majority of the workforce in many 'shut down' sectors, and in our care sector, as well as undertaking additional unpaid caring responsibilities." The Scottish Government has made welcome commitments to addressing such gender inequalities in the impact of the pandemic, although questions remain about whether the scale of investment is enough to tackle the challenge.<sup>464</sup> However, this too reflects the Scottish Government's approach of focusing on fairness and equalities but not necessarily on social mobility, and there is still a need to give the same weight to considering how socio-economic background has compounded the impacts of COVID-19.

Significant employment differences are also evident across ethnic groups. The employment rate for the minority ethnic population aged 16-64 in Scotland in 2018 was 55.4%, compared with 75.1% for the non-minority (White) population, and unemployment rates were much higher for minority ethnic people.<sup>465</sup> In 2019, the gap in employment rates between minority ethnic and non-minority (White) people in Scotland was over 16%, and as high as 26.1% among 16- to 24-year-olds. Minority ethnic groups are more likely to work in low-paid sectors with less chance of career progression, and minority ethnic graduates in Scotland are up to three times more likely than white graduates to be unemployed.<sup>466</sup> This is despite the fact that rates of participation in education, employment or training are higher among minority ethnic groups than among those from non-minority (White) ethnic groups, suggesting a lack of mobility into employment for people from a minority ethnic background.<sup>467</sup>

The jobs that are available or accessible to lower-income workers (service sector work in retail, catering and care provision) generally do not provide a secure, decent standard of living, let alone progression or career advancement. To increase social mobility, it is not enough to equalise access to professional occupations (difficult as that has proven to be): all groups must have access to sectors of employment growth and stability and progression opportunities.

The Scottish Government's overarching strategies focus strongly on employment and on what is required in order to prosper through work. Targets in the Fairer Scotland Action Plan that reflect this include a 'Young Person's Guarantee' to ensure that all young people have access to a job, education, training or a development programme, and retraining opportunities through a new National Transition Training Programme to support those aged 25 and over at risk of redundancy. In March 2021, a further £70 million was committed to the Young Person's Guarantee.

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<sup>464</sup> Fair Work, Employability and Skills Directorate, [A fairer Scotland for women: Gender pay gap action plan](#), 2019.

<sup>465</sup> Ibid.

<sup>466</sup> Coalition for Racial Equality and Rights, [Ethnicity and Poverty in Scotland 2020: Analysis and Reflection on the Impact of COVID-19](#), 2020.

<sup>467</sup> Ibid.

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The Fair Work Convention introduced in April 2015, which acts as an independent advisory body to Scottish ministers, is also important in this context. The Convention's vision is that by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society. In 2019, the Scottish Government also launched a suite of Fairer Work Action Plans covering provision for Disabled People, the Gender Pay Gap and Future Skills. Fair Start Scotland, the Scottish Government's devolved employment support service, began in April 2018 to provide a personalised package of support to people facing challenges in accessing work.

Progress is tracked using National Performance Indicators (such as the target to reduce the proportion of employees earning less than the voluntary Living Wage in Scotland – which fell from 18.8% in 2012 to 15.2% in 2020) and the annual reports of the Fair Work Action Plan.<sup>468, 469</sup> The importance of employment is also clear in the actions called for by the Social Renewal Board, such as working in partnership to develop a new social contract on Fair Work.

These efforts should be applauded. What is not clear is the extent to which the Scottish Government's strategies, conventions and performance monitoring are expected to impact on equitable employment outcomes and social mobility. There is a presumption of positive impact, without specification of targets being set, or a statutory obligation to do so.

## Poverty

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Every Scottish government since devolution has presented a plan to tackle poverty or income inequality in Scotland. This recognises that poverty is a key determinant of social mobility, with children exposed to poverty having worse health, education, development and, ultimately, labour market outcomes than more affluent children.<sup>470, 471, 472, 473, 474, 475</sup> In addition to the many anti-poverty actions outlined in this chapter, two recent actions of the current Scottish government stand out.

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<sup>468</sup> The voluntary Living Wage is set independently by the Living Wage Foundation. It is an hourly rate which is calculated according to the basic cost of living in the UK. The living wage is an informal benchmark, not a legally enforceable minimum level of pay, like the national minimum wage.

<sup>469</sup> Fair Work, Employability and Skills Directorate, [Fair work: action plan](#), 2021.

<sup>470</sup> Cooper, K. and Stewart, K., [Does household income affect children's outcomes? A systematic review of the evidence](#), 2020.

<sup>471</sup> Duncan, G.J. et al., [Economic deprivation and early childhood development](#), Article, 1994.

<sup>472</sup> Bradshaw J., [Poverty: the outcomes for children](#), 2000.

<sup>473</sup> Bradshaw J., [Child poverty and child outcomes](#), 2002.

<sup>474</sup> Joseph Rowntree Foundation, [The costs of child poverty for individuals and society: a literature review](#), 2008.

<sup>475</sup> The Organisation for Economic Co-operation and Development, [A broken social elevator? How to promote social mobility](#), 2018.



This Act commits public bodies (local government and local NHS boards) to working together to eradicate child poverty by 2030.

In 2017, the Scottish Parliament unanimously passed the Child Poverty Act 2017.<sup>476</sup> This Act commits public bodies (local government and local NHS boards) to working together to eradicate child poverty by 2030. The general features of the Act will be familiar to observers of social mobility and tackling poverty in the UK, as it drew on the targets of the UK Child Poverty Act 2010.<sup>477</sup> This allowed the Scottish Government to take ownership of poverty reduction ambitions even after UK-wide targets were repealed by the Welfare Reform and Work Act 2016 in the UK Parliament.<sup>478</sup> The first of three national delivery plans required by the Act was published in 2018.<sup>479</sup> Annual reports on progress will be published by the Scottish Government and local areas.<sup>480, 481</sup>

The second key action, also provided for by the Act, is the statutory establishment of the Poverty and Inequality Commission as a non-departmental public body providing independent advice to and scrutiny of Scottish ministers. The Act requires the Commission to provide advice and comment on progress towards tackling child poverty. The Public Services Reform (Poverty and Inequality Commission) (Scotland) Order 2018 widened the Commission's remit to focus more generally on poverty and inequality in Scotland.<sup>482</sup> These legislative moves represent important steps by Scottish governments to monitor and hold themselves to account on progress in tackling poverty.



Although it has lower rates of both child poverty and poverty overall than other parts of the UK, the trends in Scotland are broadly comparable with the rest of the UK. Poverty is not decreasing.

Although it has lower rates of both child poverty and poverty overall than other parts of the UK, the trends in Scotland are broadly comparable with the rest of the UK. Poverty is not decreasing (figure 4.7).

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<sup>476</sup> Scottish Parliament, [Child Poverty \(Scotland\) Act 2017](#), Accessed March 2021.

<sup>477</sup> Ibid.

<sup>478</sup> Ibid.

<sup>479</sup> Housing and Social Justice Directorate, [Every child, every chance: tackling child poverty delivery plan 2018-2022](#), 2018.

<sup>480</sup> Housing and Social Justice Directorate, [Tackling child poverty: Second year progress report \(2019-2020\)](#), 2020.

<sup>481</sup> For example, Renfrewshire Council, [Local child poverty action report Renfrewshire 2019/2020](#), 2021.

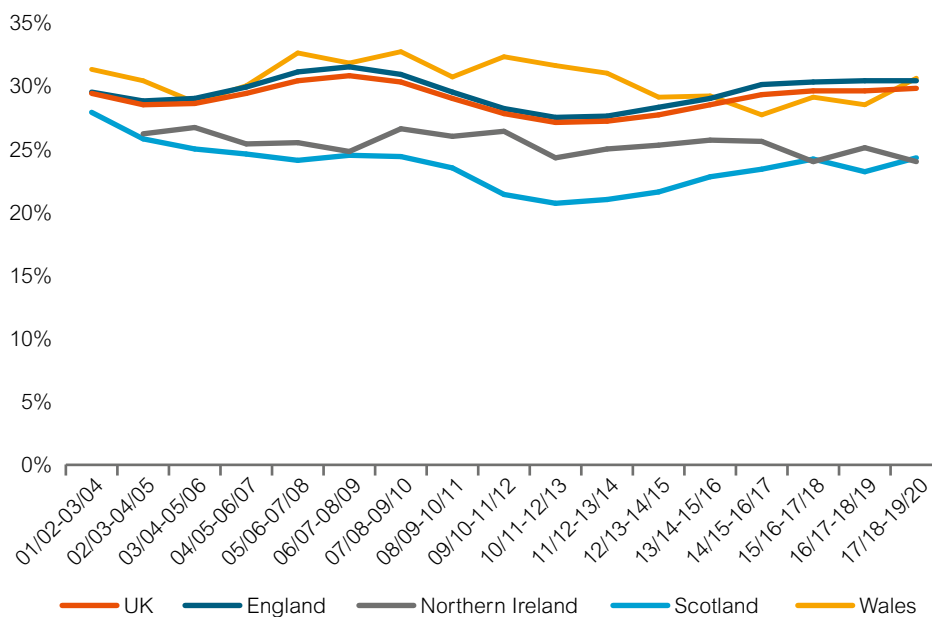
<sup>482</sup> Scottish Parliament, [The Public Services Reform \(Poverty and Inequality Commission\) \(Scotland\) Order 2018](#), Accessed March 2021.



Almost one in four of Scotland's children live in poverty.

More disturbingly, an increasing number of children in Scotland experience poverty that can be described as 'severe'. The latest data (for 2017-20) show that after taking housing costs into account, almost one in four of Scotland's children live in poverty (24.3%, or 240,000 children), and one in eight in income poverty and material deprivation combined (12.5%, or 120,000 children). Child poverty is also persistent: during 2015-19, one in seven children (16%) lived in poverty in three out of four years.

**Figure 4.7:** Percentage of children in relative poverty (after housing costs, three year average)



**Source:** Department for Work and Pensions, [Households Below Average Income](#), 2021

**Note:** This is based on a poverty line defined as 60% of the contemporary median after deducting housing costs

Children, working-age adults and pensioners all experienced an increase in poverty between 2012-15 and 2017-20. The number living in relative poverty (after housing costs) increased by 30,000 for each age group, to 240,000 for children, 650,000 for working-age adults and 150,000 for people of pensionable age.

In our ‘State of the Nation 2017’ report, we also observed that “place matters in Scotland”, identifying notably poorer education and employment outcomes in more deprived and post-industrial areas compared with more affluent and some rural areas.<sup>483</sup> Poverty too is unevenly distributed. The highest numbers of people living in poverty are found in the largest cities, particularly Glasgow, but high proportions of people living in poverty are also found in surrounding areas, such as West Dunbartonshire, North Lanarkshire and Inverclyde. Poverty is also widespread in rural Scotland.

More positively, Scotland’s lower average housing costs, assured quality accommodation (in the social rented sector) and assured security of tenure (in the private rented sector) are significant.<sup>484</sup> Yet there is a problematic relationship between housing status, access to opportunities and outcomes, particularly in the larger urban centres. For example, in West Central Scotland, where someone lives is associated with the educational outcomes that influence their social mobility prospects.

A recent review of Scottish Government actions to tackle poverty and income inequality over the last parliamentary term noted signs of a distinctive ‘Scottish approach’ to policy and observed that the foundations for progress are being laid locally (through annual Local Child Poverty Action Reports) and nationally (through the Child Poverty Delivery Plan).<sup>485</sup> It is important to note that this has not yet led to significant reductions in child poverty. However, it may have stopped the situation from being as bad as it could have been in the context of more than 10 years of spending cuts.



The 2021 forecasts for relative child poverty in Scotland are now 29.1% by 2023-24 and 38% by 2030.

Pre-pandemic projections estimated that the 2023-24 interim child poverty targets set in the 2017 Child Poverty (Scotland) Act (one of which was to reduce the relative poverty level to 18%) would not be met, unless substantial measures were taken. The 2021 forecasts for relative child poverty in Scotland are now 29.1% by 2023-24 and 38% by 2030 (rather than below 10% as intended).<sup>486, 487</sup>

The priority groups identified in the Child Poverty Delivery Plan are at greater risk of poverty than children in general (figure 4.8). Children of lone parents are almost twice as likely as those in two-parent households to be living in poverty (38%, compared with 20%). Most children and working-age adults in poverty live in a household where at least one adult is in paid employment (68% and 61%, respectively).

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<sup>483</sup> Social Mobility Commission, [State of the nation 2017](#), 2017.

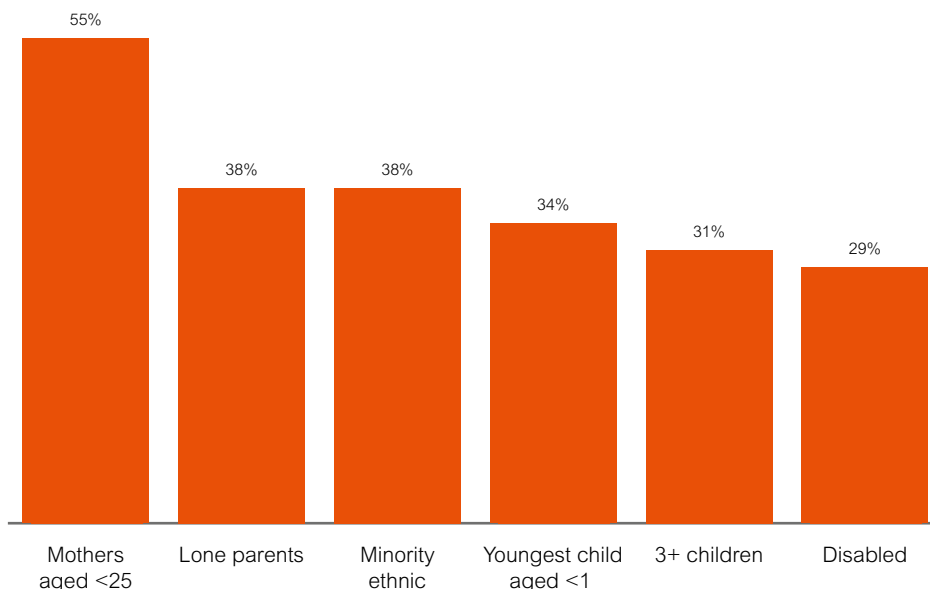
<sup>484</sup> Joseph Rowntree Foundation, [A stronger Scottish lifeline in the economic storm](#), 2020.

<sup>485</sup> McKendrick J. et al., [Policies and processes for tackling poverty in Scotland: towards a 2030 without poverty?](#), 2021.

<sup>486</sup> Resolution Foundation, [The living standards outlook 2021](#), 2021.

<sup>487</sup> Resolution Foundation, [Wrong direction: can Scotland hit its child poverty targets?](#), 2019.

**Figure 4.8:** Incidence of relative poverty among priority groups identified in the Child Poverty (Scotland) Act 2017



**Sources:** Scottish Government (2021) [Poverty and Income Inequality in Scotland 2017-20 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/poverty-and-income-inequality-in-scotland-2017-20/pages/100_to_109.aspx) and Scottish Government (2020) [Poverty and Income Inequality in Scotland, 2016-2019, Supplementary Tables, Child Poverty](#)

Official figures on income poverty and inequality for 2020-21 will not be available until 2022. At present, it is not possible to state definitely what the immediate impact of COVID-19 will be. However, Scotland’s Poverty and Inequality Commission has stated that “We can be under no illusions; the pandemic is likely to increase poverty and inequality in Scotland and this makes it all the more important that transformative action is taken”.<sup>488</sup>

Like the UK Government, the Scottish Government has acted to protect people at risk of poverty during the pandemic, though its ability to increase financial support has been constrained by the limits of its revenue-raising powers. A combined total of £1 billion has been allocated to help local communities through the coronavirus (COVID-19) pandemic.<sup>489</sup> £37.2 million was announced to tackle poverty and support people on low incomes.<sup>490</sup> This included a £100 COVID-19 Spring Hardship Payment for children receiving FSM on the basis of low income. Those claiming Universal Credit will also be receiving the UK-wide £20-per-week uplift to Universal Credit, scheduled to remain in place until the end of September 2021. The acknowledged impacts of poverty on social mobility are only likely to be intensified by the effects of the pandemic.

<sup>488</sup> Poverty and Inequality Commission, [Poverty and Inequality Commission strategic plan 2020-2023](#), 2021.

<sup>489</sup> Minister for Equalities and Older People, [Funding to tackle poverty and inequality](#), 2021.

<sup>490</sup> Ibid.



## Conclusion

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There is an abundance of vision statements on what Scotland should be... but a key practical challenge is the 'policy implementation gap'.



The Scottish Government does not lack high-level ambition. On the contrary, there is an abundance of vision statements on what Scotland should be, with many actions and multiple plans in place to achieve this. However, these approaches are not always

effectively joined up. A key practical challenge is the ‘policy implementation gap’ and the extent to which public bodies have the resources (rather than the inclination) to deliver on national visions.<sup>491</sup>

We have observed that there is no specific social mobility strategy in Scotland. The policy tendency is towards reducing deprivation and providing universal services rather than targeting entrenched inequalities and removing the barriers to mobility. This approach is reinforced by actions with a focus on equalities – directed towards particular protected groups such as women, minority ethnic groups and people with disabilities.

Some interventions are targeted at disadvantaged groups, such as the work in the Attainment Challenge. Other policies focus strongly on universal entitlements, such as free personal care, free higher education and free bus transport for those aged over 60. In some cases the principal beneficiaries of these policies are those in more affluent areas.

Much of this work is relevant to social mobility, but it does not provide an overarching social mobility framework or a driver directly underpinning progress on social mobility.

The potential contribution of social mobility to Scotland’s declared national purpose needs to be articulated more clearly. Alongside this, the structural causes of immobility need to be tackled more specifically. These include the persistent and cumulative factors that reproduce disadvantage among people living in particular communities, or the financial and cultural advantages of those in more prosperous areas, including access to schools (public and private) with higher attainment rates. These causes will only be addressed through concerted, sustained and strategic action to reduce the income differences which maintain opportunity gaps.

Scotland requires a robust appraisal of how much particular universal and targeted interventions can do to increase social mobility and achieve socially just outcomes. Increased social mobility could be conceived as the ultimate outcome of the Scottish Government’s focus on entitlement and equality rather than an alternative or an afterthought. The current absence of a Scottish social mobility strategy could be addressed by considering how social mobility may be aligned with, and could be an outcome of, actions aimed at creating a more egalitarian society.



We have commended actions taken to extend free childcare, address education attainment gaps, and widen access to further and higher education, and we urge this work to continue.

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<sup>491</sup> Creegan, C. and Adam, L., [Scotland in a post-pandemic world](#), Accessed April 2021.

We agree with the Poverty and Inequality Commission that “there is a great deal of commitment across government and society in Scotland to reducing poverty and inequality.”<sup>492</sup> But while the Scottish Government may have taken a different direction to the UK Government on child poverty and social mobility policy, it has not yet achieved significantly different outcomes. It appears that the measures introduced in Scotland in the past five years mitigate some of the worst effects of deprivation rather than promoting mobility and equal life chances. The Equality and Human Rights Commission (2018) is right to say that recent and current policies might stop the rate at which gaps widen but do not significantly narrow them, risking disadvantage becoming further entrenched for generations to come.<sup>493</sup>



Once more, however, commitments urgently need to be strengthened to ensure that the needs of those already disadvantaged are met.

Several further measures should be taken to improve the circumstances of the lowest-income households, such as increasing the Scottish Child Payment. However, measures to protect income will not have much impact on the persistent opportunity gap and mobility barriers in Scotland. We have commended actions taken to extend free childcare, address education attainment gaps, and widen access to further and higher education, and we urge this work to continue. We also commend the foresight shown by the Scottish Government to commission a Social Renewal Board to reflect on what is required to recover from COVID-19. Once more, however, commitments urgently need to be strengthened to ensure that the needs of those already disadvantaged are met as the nation rebuilds from this generational shock.

Social mobility depends not just on increasing resources available to those at the bottom of the income distribution scale, but also on preventing those at the top from restricting access by ‘opportunity hoarding’ and preserving privilege.<sup>494</sup> The Scottish Government needs to develop ways to replicate the advantages enjoyed by more privileged groups for disadvantaged young people, such as extending opportunities for learning and acquiring employment experience through paid internships and employment experience placements. Only then can Scotland credibly present itself as a place where a lad (and lassie) o’pairs can progress.

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<sup>492</sup> Poverty and Inequality Commission, [Poverty and Inequality Commission strategic plan 2020-2023](#), 2021.

<sup>493</sup> Equality and Human Rights Commission, [Is Scotland fairer?](#), 2018.

<sup>494</sup> Social Mobility and Child Poverty Commission, [Downward mobility and opportunity hoarding](#), 2015.

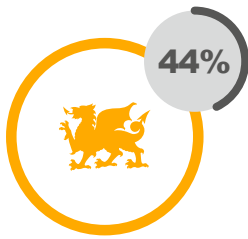


Social Mobility  
Commission

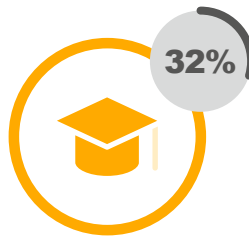
# Wales



## Highlights



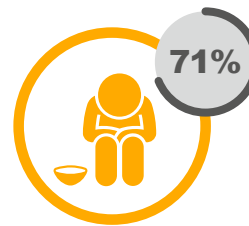
44% of people are now in professional jobs in Wales; an increase in the proportion of professional jobs represents an opportunity for social mobility – depending on who gets these jobs. People from professional backgrounds are still 50% more likely than those from working class backgrounds to access these professional jobs. There has been some progress in this area, as they were about twice as likely in 2014-15.



The Welsh Government has prioritised raising standards in education and invested in early years, but there has been limited progress in closing the attainment gap between the most and least disadvantaged. The gap between the proportion of those receiving free school meals and other pupils who achieve a good standard at GCSE has remained the same since 2007, at around 32 percentage points.



Wales has had the highest child poverty rates in the UK for much of the last decade with 31% of children in poverty on average from 2017-18 to 2019-20.



The levels of in-work poverty in Wales are amongst the worst in the UK. 71% of children living in poverty live in working households, a figure which has been steadily increasing in recent years.



The Wellbeing of Future Generations Act and enactment of the socio-economic duty are areas of progress, making it mandatory for public bodies to safeguard the needs of future generations by tackling poverty and inequalities, and by requiring public authorities to consider socio-economic inequalities when making decisions.



The unemployment rate for those from working class backgrounds in Wales has generally been higher than the rest of the UK over the last few years, although this gap is now closing (from 1.2 to 0.1 percentage points).



An estimated 250,000 jobs in Wales – one in five – are in the sectors most impacted by measures to slow the spread of COVID-19, or where most businesses were forced to reduce trading or close altogether.

## Context

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**Wales, like the rest of the UK, is at a critical moment.** Before the pandemic, there were already significant concerns about social mobility in the country. It has had the highest poverty rates compared with the other UK nations for much of the past decade and many people experience persistent poverty, including 15% of children between 2015 and 2019.<sup>495, 496</sup> This is concerning for what it tells us about both the mobility of those adults who have ended up in poverty and the future mobility of those children (since child poverty is detrimental to future outcomes).<sup>497</sup>

There is also cause for concern when we look at employment: the employment rate has been consistently lower than in the rest of the UK, which is bad news for mobility. Those who are unemployed are likely not to be 'getting on' and achieving better life outcomes but rather to be falling back.<sup>498</sup>

COVID-19 has had a profound impact, with significant implications for social mobility. Living standards got significantly worse by winter 2020.<sup>499</sup> This, combined with rising costs, affected the poor the most, deepening poverty and inequalities.<sup>500, 501</sup> The pandemic also had a disproportionate impact on Black and ethnic minority groups and young people.<sup>502, 503</sup> Without government action, the pandemic could be devastating for social mobility, increasing inter-generational inequalities and social exclusion.

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<sup>495</sup> Joseph Rowntree Foundation, [Poverty levels and trends in England, Wales, Scotland and Northern Ireland](#), 2020.

<sup>496</sup> Persistent poverty defined as being in relative income poverty in at least three out of four consecutive years; Welsh Government, [Persistent poverty: 2019](#), 2019.

<sup>497</sup> See, for example: Education Policy Institute, [Measuring the disadvantage gap in 16-19 education](#), 2021; Economic and Social Research Council, [Child poverty casts a long shadow over social mobility](#), 2012.

<sup>498</sup> Welsh Government, [Labour market overview: April 2021](#), 2021.

<sup>499</sup> Bevan Foundation, [A snapshot of poverty in Winter 2020](#), 2021.

<sup>500</sup> Joseph Rowntree Foundation, [Briefing: poverty in Wales](#), 2020.

<sup>501</sup> Equality and Human Rights Commission, [Rebuilding a more equal and fairer Wales: focus on the unequal impact of the coronavirus pandemic](#), 2020.

<sup>502</sup> First Minister's BAME Covid-19 Advisory Group, [First Minister's BAME COVID-19 Advisory Group: report of the socio-economic subgroup](#), 2020.

<sup>503</sup> Princess Trust, [Facing the future: employment prospects for young people after coronavirus](#), 2021.



### What powers do the Welsh Government and Senedd hold?

The UK Government holds most of the policy levers that impact social mobility (this is true across all devolved nations). However, the Welsh Government has devolved power over certain key areas.<sup>504</sup> These include child poverty, family support, housing, health, childcare, early years, education, training and skills, economic development and some devolved benefits.<sup>505</sup> The Senedd Cymru, the Welsh Parliament, has tax-raising powers equivalent to one fifth of tax in Wales.<sup>506</sup> Some of these powers were newly introduced in 2019, deepening devolution.<sup>507</sup> The Welsh Government has used these new powers to increase the threshold for paying stamp duty, but so far it has not diverged from England on income tax policy.<sup>508</sup>

The Welsh Government and Senedd also oversaw the final generation of European-funded programmes. During the 2014-2020 period, Wales received over £2.1 billion of EU funds – the highest level of support per person in the UK.<sup>509, 510</sup> This constitutes a significant proportion of the public pot – by some estimates, from 2001 to 2006, EU expenditure represented around 22% of total public investment in Wales.<sup>511</sup>

### How does the Welsh Government promote social mobility?

The Welsh Government's approach to social mobility has to be considered in the light of its philosophical commitment to social justice. This commitment is evident in the focus given to tackling inequalities and poverty.

Two pieces of legislation are crucial to what Wales is doing on social mobility. The Wellbeing of Future Generations Act (WFGA) 2015 sets out seven 'wellbeing goals' that provide the framework for policy- and decision-making in Wales. The WFGA built on the Welsh Government's pre-existing commitments to the rights of children and young people, as defined by the Children and Young People's Measure in 2011.<sup>512</sup> The Act requires public bodies to safeguard the needs of future generations in line with these goals and to tackle persistent problems such as poverty and health inequalities. 'Taking Wales Forward' and 'Prosperity for All', which together set out the Welsh Government's

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<sup>504</sup> Cabinet Office, Office of the Secretary of State for Scotland, Northern Ireland Office, and Office of the Secretary of State for Wales, [Devolution of powers to Scotland, Wales and Northern Ireland](#), Accessed June 2021.

<sup>505</sup> Bevan Foundation, [A Welsh benefits system, how it can help solve poverty](#), 2020.

<sup>506</sup> BBC, [New income tax powers for Wales to come into force](#), 2019.

<sup>507</sup> Wales Centre for Public Policy, [The Welsh tax base risks and opportunities after fiscal devolution](#), 2018.

<sup>508</sup> Institute for Government, [Tax and devolution: explainers](#), 2020.

<sup>509</sup> Welsh Government, [2014-2020 EU Structural Funds Programme in Wales](#), 2021.

<sup>510</sup> Batchler, J. and Begg, I., [Cohesion policy after Brexit: the economic, social and institutional challenges](#), 2017.

<sup>511</sup> Di Cataldo, M. and Monastiriotis, V., [Regional needs, regional targeting, and regional growth: an assessment of EU Cohesion Policy in the UK regions](#), 2018.

<sup>512</sup> Welsh Government, [Children's rights in Wales](#), 2019.

strategic plan up to 2021, aim to deliver on the promises of the WFGA by making Wales more prosperous, equal and sustainable.<sup>513, 514</sup> These steps towards solving poverty and addressing inequalities could be vital to promoting social mobility.

Secondly, in 2020 Wales also introduced the Socio-economic Duty of the 2010 Equality Act, following Scotland's implementation 18 months prior to this. The Duty, in force since 31 March 2021, aims to deliver better outcomes for socio-economically disadvantaged people. The Socio-economic Duty ensures that specific public bodies take account of the potential impact of their decisions on those who suffer socio-economic disadvantage. It changes the way decisions are made, putting equality at the heart of decision-making.<sup>515</sup> It is too early to fully assess its impact, but its potential is significant.<sup>516, 517</sup>

Both Acts build on pre-existing commitments by the Welsh Government to children and young people's rights enshrined in the 2011 Children and Young People's Measure.<sup>518</sup>

### COVID-19 response

The Welsh Government's COVID-19 response was informed by these overarching goals and objectives, and also by the unique challenges that flowed from the public health emergency.<sup>519, 520, 521</sup> The pandemic triggered significant budgetary responses from the UK and Welsh Governments. On 27 May 2020, the Welsh Government published a historic supplementary budget, outlining the momentous changes to its funding and spending that had occurred since it published its Final Budget for 2020-21 in March.<sup>522</sup>

Funding for this derived mainly from funding from the UK Government through 'Barnett consequentials' triggered by UK Government spending in England.

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<sup>513</sup> Welsh Government, *Taking Wales Forward*, 2016.

<sup>514</sup> Welsh Government, *Prosperity for All*, 2017.

<sup>515</sup> Well-being and Equality Working Group, *Improving well-being and equality outcomes: aligning processes, supporting implementation and creating new opportunities*, 2019.

<sup>516</sup> Welsh Government, *The Socio-economic Duty Explanatory Memorandum to the Equality Act 2010*, 2021.

<sup>517</sup> Equalities and Human Rights Commission, *Evaluating the Socio-Economic Duty in Scotland and Wales*, 2021.

<sup>518</sup> Welsh Government, *Children's rights in Wales*, 2019.

<sup>519</sup> Welsh Government and Wales Trades Union Congress, *Written statement: response to COVID-19 crisis*, 2020.

<sup>520</sup> Welsh Government, *COVID-19 reconstruction: challenges and priorities*, 2020.

<sup>521</sup> Sefydliad Bevan Foundation, *A snapshot of poverty in spring 2021*, 2021.

<sup>522</sup> Minister for Finance and Trefnydd, *Written statement: supplementary budget 2020-21*, 2020.



## The Barnett formula

The UK Government allocates funding broadly in two ways: either to the whole of the UK (for policy areas which are reserved for the UK Government, rather than devolved), or to England alone (for policy areas which are devolved). It uses the Barnett formula to ensure that when there is spending in England in devolved areas, a fair share of additional funding goes to the Scottish Government, Welsh Government and Northern Ireland Executive. These payments are known as ‘Barnett consequentials’. The devolved administrations decide how to use this funding.

Since the start of the COVID-19 pandemic, the devolved administrations have benefitted from £28.1 billion of additional funding through the Barnett formula.<sup>523</sup> Using a newly agreed flexibility to transfer £2.1 billion between financial years, the devolved administrations are spending £16.8 billion of the additional funding in 2020-21 and £11.3 billion in 2021-22.<sup>524</sup>

Since the start of the pandemic, the Welsh Government received over £8.6 billion of additional funding through the Barnett formula, complementing a number of UK-wide support schemes including the Coronavirus Job Retention Scheme (furlough) and Self-Employment Income Support Scheme.<sup>525</sup> It adapted and updated business support, injecting emergency funds across programmes and delivering remote business, careers and employability support in unprecedented circumstances.<sup>526, 527</sup> Measures included a £2.5 billion business support package since the start of the pandemic, delivered partly-through the Wales-specific Economic Resilience Fund (ERF), as well as support for charities, universities and further education (FE) colleges, and the sports and cultural sectors.<sup>528, 529</sup> ERF grants, provided directly to businesses, seem to have been particularly successful in supporting economic activity in parts of Wales suffering from persistent socio-economic disadvantage.<sup>530</sup>

The Welsh Government also used the funding from the UK Government to provide £14 million additional funding for childcare for the children of critical workers and vulnerable families during the first phase of the pandemic in 2020, and invested over £20 million to reopen the Childcare Offer for applications in the summer of 2020 and to support the ongoing sustainability of childcare services. An extra £14.9 million for the Discretionary Assistance Fund (DAF), the rules of which were relaxed to help with additional financial pressures.<sup>531</sup> To help households hardest hit by the economic impact of the pandemic, the Welsh Government made available an additional £1.4 million

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<sup>523</sup> Unpublished analysis by HM Treasury.

<sup>524</sup> Ibid.

<sup>525</sup> UK Government, [The UK Government's plan for Wales](#), 2021

<sup>526</sup> Welsh Government, [Written Statement: COVID-19 commitment to employability and skills](#), 2020.

<sup>527</sup> Welsh Government, [Written Statement: Employability plan annual statement 2021](#), 2021.

<sup>528</sup> Welsh Government, [COVID-19 reconstruction: challenges and priorities](#), 2020.

<sup>529</sup> Welsh Government, [Welsh Government Economic Resilience Fund protects 75,000 jobs](#), 2020.

<sup>530</sup> Economic Intelligence Wales, [COVID-19 Welsh Government financial interventions: an analysis of Welsh beneficiaries](#), 2020.

<sup>531</sup> Welsh Government and Wales Trades Union Congress, [Written statement: response to COVID-19 crisis](#), 2020.

funding for debt advice services and a range of income maximisation initiatives.<sup>532</sup>

The Welsh Government acted proactively to address food insecurity and school holiday hunger. All authorities in Wales provided emergency cash, supermarket vouchers or food parcels in lieu of free school meals (FSM) while schools remain closed, and these plans were put in place quickly.<sup>533</sup> Although the precise impact of these schemes has yet to be fully evaluated, it's likely they helped to limit the immediate impacts of the pandemic on struggling families and individuals.

The COVID-19 pandemic led to additional spending by both the Welsh and UK Governments; a stream of announcements and initiatives to support individuals, businesses and public services constantly added to the size of the fiscal response, with implications for 2021 and beyond.<sup>534, 535</sup>

Despite these measures, by winter 2020 the squeeze on household income was being felt generally.<sup>536</sup>

### Overall trends: social mobility in Wales

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As in the rest of the UK, the proportion of jobs in the Welsh labour market which are professional is increasing and the proportion which are working class is falling (figure 5.1). Overall, the proportion of professional jobs is still lower than for the UK as a whole (44% vs. 48%). The share of individuals in working class occupations in Wales is similar to Northern Ireland and is higher than the UK as a whole (33% for Wales, 29% for the UK as a whole). The growth in professional jobs creates the opportunity for social mobility, with more room at the 'top' of the labour market. Whether this potential is realised depends on who gets these jobs.

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<sup>532</sup> Welsh Government, [Finance Minister announces extra £1.4m funding to boost household income and manage problem debt in Wales](#), 2020.

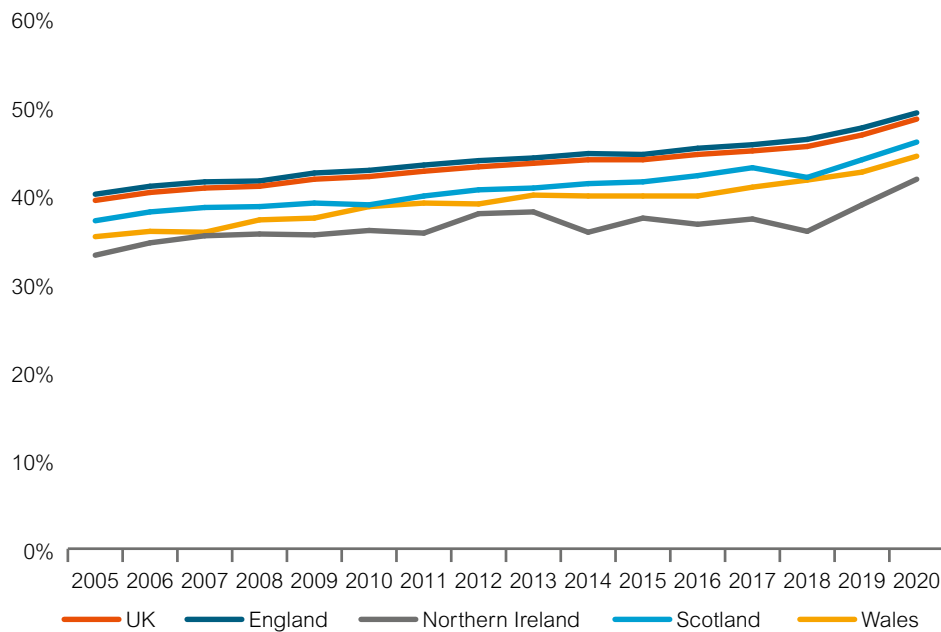
<sup>533</sup> Bevan foundation, [State of Wales: free school meals and coronavirus](#), 2020.

<sup>534</sup> Cardiff University Wales Fiscal Analysis, [Welsh budget outlook 2020](#), 2020.

<sup>535</sup> Cardiff University Wales Fiscal Analysis, [UK Budget 2021: the implications for Wales and the Welsh budget](#), 2021.

<sup>536</sup> Bevan Foundation, [Different Experiences of Poverty in Winter 2020](#), 2021.

**Figure 5.1:** Percentage of people in professional jobs across the labour market, in each nation of the UK

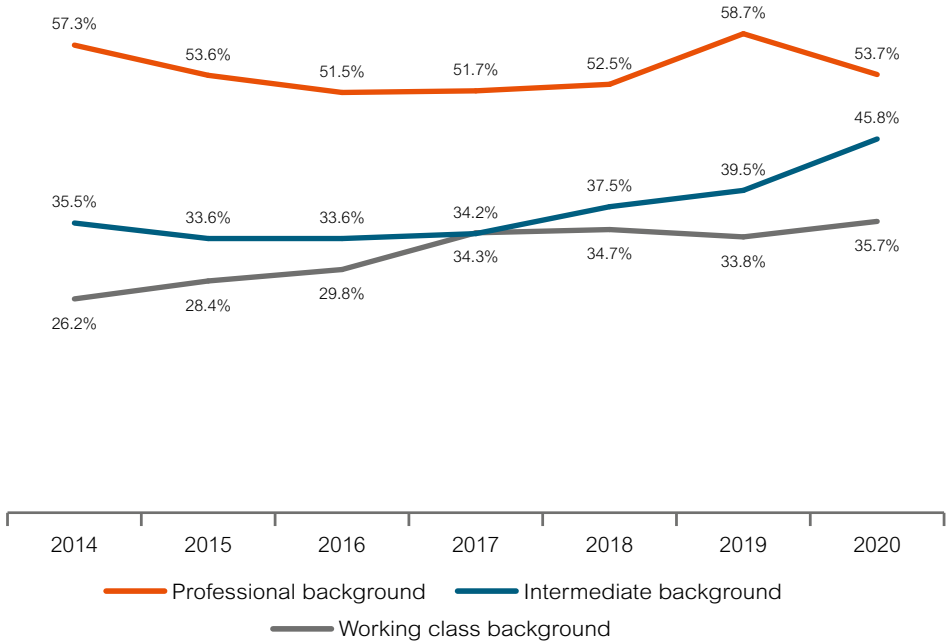


**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** Data refers to those in employment

Despite some year-on-year fluctuations and slow progress, access to professional jobs for those from low socio-economic backgrounds has improved since 2014. The share of individuals from intermediate and working-class backgrounds who are themselves in professional occupations has been rising steadily over time (by over 10 percentage points). As a result, those from professional backgrounds in Wales are now 50% more likely to be in professional jobs themselves than those from working class backgrounds, as compared with being about twice as likely in 2014 and 2015 (figure 5.2). Although year-on-year fluctuations in this figure are not significant, the overall trend demonstrates the widening access to professional jobs.

**Figure 5.2:** How likely are people from different backgrounds to be in a professional occupation in Wales?



**Source:** SMC Analysis of Labour Force Survey (ONS)

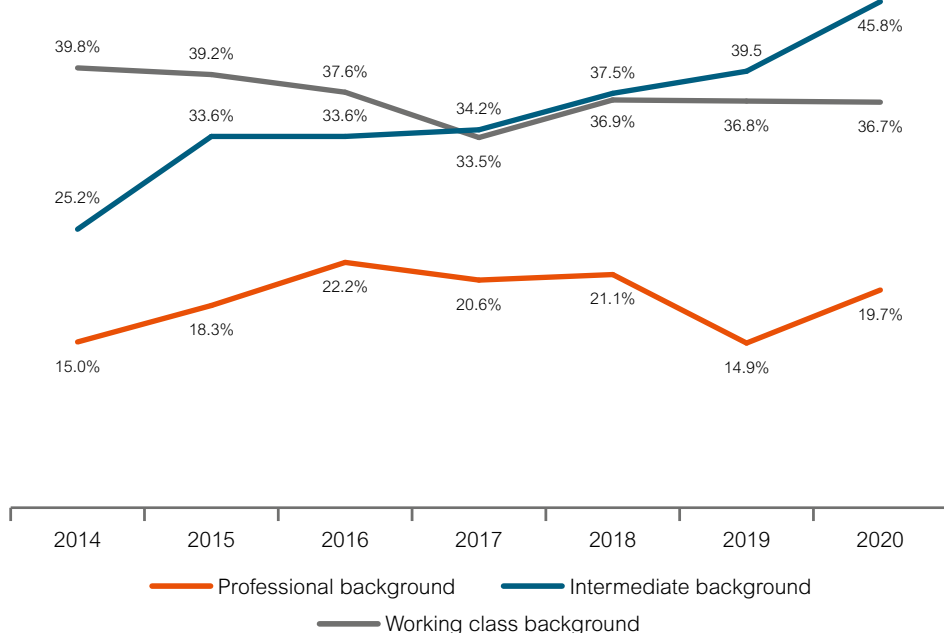
**Note:** People aged 25 to 60. Margin of error varies from 3.4% to 7.0% for individual statistics, so individual changes should be interpreted with caution. See Appendix Table B2 for sample sizes and 95% confidence intervals



Individuals in Wales from working class backgrounds are still about 90% more likely to be in working class occupations than those from professional backgrounds, as compared with over twice as likely for the UK overall.

In Wales, as in the rest of the UK, if you are in a working class job, you are likely to have come from a working class background (figure 5.3). The share of individuals in working class jobs who are from working class backgrounds is higher than for the UK as a whole (37% vs. 31% respectively). Interestingly, Wales also has a higher rate of people from professional backgrounds in working class jobs than for the UK (20% vs. 14%), showing some higher rates of downward mobility. However, individuals in Wales from working class backgrounds are still about 90% more likely to be in working class occupations than those from professional backgrounds, as compared with over twice as likely for the UK overall. One particular trend for Wales is the rising share of individuals from intermediate backgrounds who are in working class occupations (from 25% in 2014 to 45% in 2020). This trend is not seen for other parts of the UK.

**Figure 5.3:** How likely are people from different backgrounds to be in a working class occupation in Wales?



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Note:** People age 25 to 60. Margin of error varies from 3.2% to 5.9% for individual statistics, so individual changes should be interpreted with caution. See Appendix Table B1 for sample sizes and 95% confidence intervals

## Education

Education policy is a key area of devolved power for enabling social mobility and improving life chances.

Over recent years, the Welsh Government has pursued reform to raise standards, increase equity and promote greater equality of outcomes in education.<sup>537, 538</sup> It has introduced an ambitious pupil and student support package in the UK, investing in early years, schools, youth transitions and lifelong learning alongside specific support for disadvantaged pupils and learners.<sup>539, 540</sup> However, progress has been limited, compared with other UK nations.<sup>541</sup>

The emphasis has been on raising standards through curriculum reform, reducing inequalities, particularly the attainment gap, increasing opportunities for the most disadvantaged and developing the learning offer for more able learners. Wales’ ambition

<sup>537</sup> Welsh Government, *Education in Wales: our national mission – action plan 2017-2021*, 2017.

<sup>538</sup> Welsh Government, *Education in Wales: our national mission – key planning milestones to 2022*, 2018.

<sup>539</sup> Welsh Government, *Education in Wales: our national mission – achievements*, 2020.

<sup>540</sup> Organisation for Economic Cooperation and Development, *The Welsh education reform journey, a rapid policy assessment*, 2017.

<sup>541</sup> Education Policy Institute, *A comparison of school institutions and policies across the UK*, Accessed June 2021.

as a bilingual nation and the goals of the Wellbeing of Future Generations Act also frame education policy.<sup>542</sup> In 2018, the Welsh Minister for Education committed to eliminating the gap between Wales and the rest of the UK at all qualification levels in 10 years.<sup>543, 544</sup> This commitment helps to explain investment in education over this period, and the priority given to supporting disadvantaged learners.

### Early years and foundation phase (ages 3–7)



The poorest children in Wales already start school 10 months behind children from families with more money.



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<sup>542</sup> Cardiff Business School and Office of the Future Generations Commissioner for Wales, [Education fit for the future in Wales report](#), 2019.

<sup>543</sup> Welsh Government, [Education Minister sets out five key principles for schools' return](#), 2018.

<sup>544</sup> Welsh Government, [Education in Wales: our national mission – achievements](#), 2020.

High-quality early childhood education and care (ECEC) can unlock work opportunities for parents and play a vital role in children's social and academic development.<sup>545</sup> But many disadvantaged families are currently unable to access the funded childcare they need because of gaps in provision. The benefits of expanding free ECEC to cover all children in Wales outweigh the costs, and the greatest benefits go to the most disadvantaged families.<sup>546</sup> Making childcare available to all parents (including those not working) could support social mobility, reduce inequalities and help to reduce poverty.<sup>547, 548</sup> The poorest children in Wales already start school 10 months behind children from families with more money.<sup>549</sup> Childcare policy risks exacerbating this attainment gap from an early age.<sup>550</sup>



Only 63.8% of children eligible for free school meals (FSM) reach a good standard in maths, literacy and social development at age 7, compared with 84.2% of those not eligible.

There are significant gaps by socio-economic background by the end of the Foundation Phase (FP), which includes early years (ages 3-5) and Key Stage 1 (ages 5-7). Only 63.8% of children eligible for free school meals (FSM) reach a good standard in maths, literacy and social development at age 7, compared with 84.2% of those not eligible. (This is broadly comparable to other UK nations).<sup>551</sup>



Over a quarter (28% or 50,000) of under-fives in Wales were living in income poverty in 2018.

Falling behind in the early years makes it more likely children will struggle throughout their education. Over a quarter (28% or 50,000) of under-fives in Wales were living in income poverty in 2018; and by age five, around a third of children living in poverty (30-35%) were already falling behind across a range of key milestones such as language

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<sup>545</sup> Wales Institute of Social and Economic Research Data, [Flexible pre-school education pilots: separating the impactful from the impractical](#), 2015.

<sup>546</sup> Joseph Rowntree Foundation, [Expanding childcare in Wales could loosen poverty's grip on families](#), 2020.

<sup>547</sup> Bevan Foundation, [Transforming Wales: How Welsh public services and benefits can reduce poverty and inequality](#), 2020.

<sup>548</sup> Wales Centre for Public Policy, [Childcare policy options for Wales](#), 2016.

<sup>549</sup> Children's Commissioner's Office, [What's the Children's Commissioner calling for?](#), 2020.

<sup>550</sup> Ibid.

<sup>551</sup> Statistics for Wales, [Foundation phase results by free school meals entitlement](#), 2019.

skills and problem solving, compared with one-fifth (20-21%) of their peers.<sup>552</sup> Nearly half of children in poverty who are behind at age five remain in the lowest-performing group at ages seven, 11 and 14.<sup>553, 554</sup>

Wales leads the UK with flagship early years programmes such as Flying Start (FS) and Families First (FF).<sup>555</sup> FS supports disadvantaged parents of two- and three-year-olds, providing funded quality childcare, enhanced health visiting support, support for speech, language and communication development and parenting support programmes. However, the scheme is available only in some of the most deprived areas in Wales, meaning that almost half of all disadvantaged children (45%) miss out.<sup>556, 557</sup> Targeting FS at disadvantaged families more generally could increase life chances.<sup>558</sup> This could reduce attainment gaps from an early age.<sup>559, 560</sup>

The Welsh Government has also focused on improving standards of education in the Foundation Phase, though problems remain. These include an attainment gap between advantaged and disadvantaged students, insufficient funding, and challenges to improving the quality of the educational experience in rural areas.<sup>561</sup> The FP Strategic Action Plan (2016-2021) aimed to address these challenges.<sup>562, 563, 564</sup> In 2017, £1 million was invested to support FP teachers to develop skills and share best practice through an FP Excellence Network. The approach is helping to raise standards, but quality and delivery need to be more consistent for it to achieve its full potential.<sup>565, 566</sup>

All children in Wales can access 10-12.5 hours of ECEC from the term after their third birthday. In addition to this, working parents of three- and four-year-olds in Wales receive additional hours of funded childcare, providing a combined entitlement to 30 hours of funded ECEC a week for 48 weeks per year.<sup>567, 568</sup> Children living in Flying Start areas will also receive part-time childcare between the ages of two and three for 39 weeks per year. The Welsh childcare offer is particularly benefitting families on low incomes, with two-thirds (66%) of beneficiaries during the 2019 summer term earning the national average or less.<sup>569</sup> This is positive news for social mobility, provided that the care is of sufficient quality that it can contribute to driving down attainment gaps.

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<sup>552</sup> Save the Children, [Little pieces. Big picture](#), 2018.

<sup>553</sup> Save the Children, [Missed milestones by age 5 means many children in Wales may never catch up](#), 2018.

<sup>554</sup> Save the Children, [Little pieces. Big picture](#), 2018.

<sup>555</sup> Public Policy Institute for Wales and Early Intervention Foundation, [Quantifying the benefits of early intervention](#), 2015.

<sup>556</sup> Save the Children, [Little pieces. Big picture](#), 2018.

<sup>557</sup> Joseph Rowntree Foundation, [Expanding childcare in Wales could loosen poverty's grip on families](#), 2020.

<sup>558</sup> Public Policy Institute for Wales and Early Intervention, [Quantifying the benefits of early intervention](#), 2015.

<sup>559</sup> Social Mobility Commission, [State of the nation 2018-2019: social mobility in Great Britain](#), 2019.

<sup>560</sup> Bevan Foundation, [Transforming Wales: How Welsh public services and benefits can reduce poverty and inequality](#), 2020.

<sup>561</sup> Welsh Government, [Foundation Phase framework](#), 2015.

<sup>562</sup> Welsh Government, [Foundation Phase action plan](#), 2016.

<sup>563</sup> Wales Institute of Social and Economic Research Data, [Report: Foundation Phase is improving standards - but not closing poverty gap](#), 2015.

<sup>564</sup> Wales Institute of Social and Economic Research Data, [Foundation Phase practitioner conference](#), 2016.

<sup>565</sup> Teaching Personnel, [New funding allocated for Foundation Phase teaching in Wales](#), 2017.

<sup>566</sup> Welsh Government, [Rural education action plan](#), 2018.

<sup>567</sup> Welsh Government, [Childcare for 3 and 4 year olds](#), 2019.

<sup>568</sup> Joseph Rowntree Foundation, [Poverty in Wales 2020](#), 2020.

<sup>569</sup> Welsh Government, [Welsh Government Childcare Offer helping families to earn more and boosts childcare business](#), 2019



However, there are some significant gaps in ECEC provision which mean that many disadvantaged children miss out on support. Children who don't live in a Flying Start area receive no funded childcare before the age of three; further, most non-working parents of three- and four-year-olds only receive the universal entitlement (of 10-12.5 hours).<sup>570, 571</sup> As a result of these issues, some low-income families, especially single parents, miss out on the current childcare offer and cannot afford to pay for provision outside the scheme. Families in some ethnic minority groups are also less likely to meet the requirements for this provision because of lower employment rates (for example, among those in Black and Asian ethnic groups), and provision for disabled children is difficult to find.<sup>572, 573</sup>

### The impact of COVID-19 on the Foundation Phase

Preliminary evidence of how the pandemic has affected young children's wellbeing and development is worrying. A study of five- to ten-year-olds in Wales found a significant increase in anxiety and panic symptoms in children who were vulnerable before the pandemic.<sup>574</sup>

Between February 2020 and 2021, the number of children attending early years settings, including those with government-funded places, fell dramatically. Foundation phase learners also had more difficulties than older children with remote learning, making them susceptible to 'learning loss' at this critical stage. It is too soon to assess the impact of this 'learning loss' but it is reasonable to conclude that poorer children will have suffered the most.<sup>575</sup>

The Welsh Government made some steps in attempt to address these challenges. An allocation of around £7 million was made available to all 22 local authorities through the Child Development Fund.<sup>576</sup> The fund was established to address concerns around developmental delay due to lockdown as a result of the COVID-19 pandemic in areas such as speech, language and communication, motor skills, and personal and social development.<sup>577</sup> Significant further interventions are likely to be necessary in order to mitigate the negative impact on the most disadvantaged children.

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<sup>570</sup> Bevan Foundation, [Trapped: poverty amongst women today](#), 2019.

<sup>571</sup> Bevan Foundation, [Transforming Wales: How Welsh public services and benefits can reduce poverty and inequality](#), 2020.

<sup>572</sup> Employment rates are 59%, 60% and 72% respectively amongst those with a Black, Asian and Mixed ethnicity, as compared to 72% amongst those with a White ethnicity. Statistics for Wales, [Coronavirus \(COVID-19\) and the Black, Asian and Minority Ethnic \(BAME\) population in Wales](#), 2020.

<sup>573</sup> Bevan Foundation, [Transforming Wales: how Welsh public services and benefits can reduce poverty and inequality](#), 2020.

<sup>574</sup> Adegboye et al., [Understanding why the COVID-19 pandemic-related lockdown increases mental health difficulties in vulnerable young children](#), 2021.

<sup>575</sup> Education Policy Institute, [EPI research for the Department for Education on pupil learning loss](#), 2021.

<sup>576</sup> Welsh Government, [Written Statement: Extension of the Child Development Fund](#), 2021

<sup>577</sup> Ibid.

### Ages 7-18



The attainment gap has narrowed at age 11, the gap at age 16 has remained broadly the same since 2007.

The attainment gap between pupils eligible for FSM and non-eligible pupils exists at all ages but widens as children get older.<sup>578</sup> While the gap has narrowed at age 11, the gap at age 16 has remained broadly the same since 2007 at around 32 percentage points (figure 5.4).<sup>579</sup>

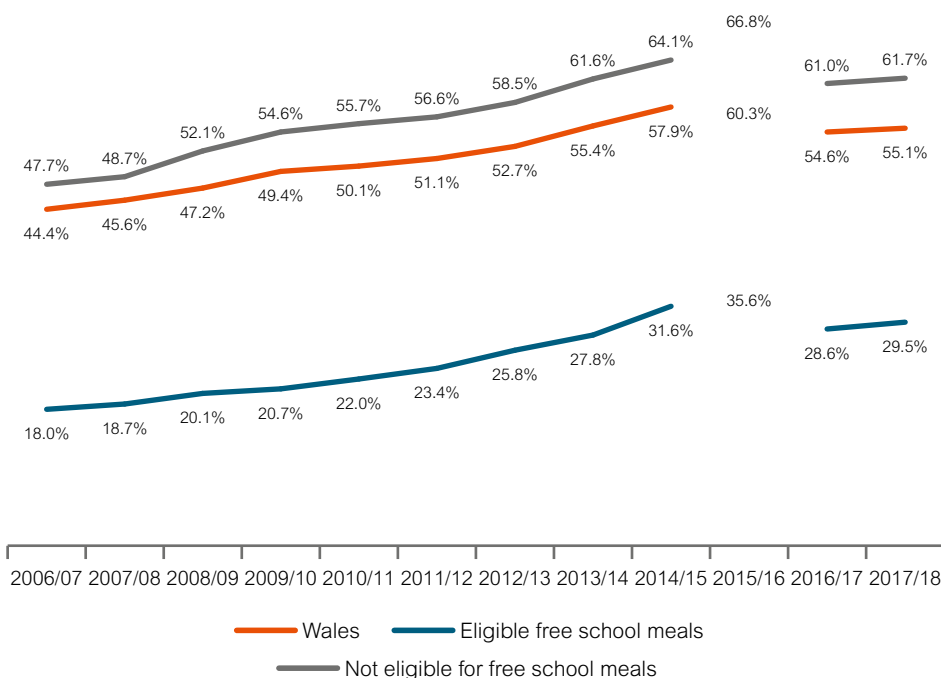


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<sup>578</sup> Joseph Rowntree Foundation, [Education in Wales](#), 2020.

<sup>579</sup> Ibid.

**Figure 5.4:** Pupils in Wales achieving five or more A\*-C grades at GCSE and equivalent including English and maths



**Source:** Joseph Rowntree Foundation, [Education in Wales: JRF analysis of Welsh Government Data](#), 2019

**Note:** There is a break in the time series between 2015 and 2016 due to a change in the methodology

As well as inequalities by FSM-eligibility, there are stark inequalities in the educational achievements of children with additional learning needs, and those from some Black and minority ethnic groups compared with peers.<sup>580</sup>

Raising standards and closing the attainment gap requires proportionately more resources than elsewhere because of Wales’ poorer socio-economic characteristics.<sup>581</sup> There have been a number of policy initiatives in Wales which have aimed to reduce the attainment gap. Investment in reducing class sizes since 2015 is likely to have benefitted pupils from disadvantaged backgrounds in particular, by enabling more pupil/teacher contact.<sup>582</sup>

The Pupil Development Grant (PDG, formerly Pupil Deprivation Grant), which provides direct support to schools, has been moderately successful at enabling schools to try initiatives that could help close the gap and support disadvantaged pupils.<sup>583, 584</sup> Evaluations point to “substantial improvements in softer outcomes” but no definitive

<sup>580</sup> Bevan Foundation, [Transforming Wales: How Welsh public services and benefits can reduce poverty and inequality](#), 2020.

<sup>581</sup> Cardiff Business School and Office, [Fit for the future - Education in Wales](#), 2019.

<sup>582</sup> Welsh Government, [Education in Wales: Our national mission – our achievements](#), 2020.

<sup>583</sup> Welsh Government, [Evaluation of the pupil deprivation grant - year 1 report](#), 2014.

<sup>584</sup> Wales Institute of Social and Economic Research and Data, [Evaluation of the pupil deprivation grant \(PDG\)](#), 2015.

change yet in the attainment gap.<sup>585, 586</sup> The PDG has secured further investment and ongoing expansion, with recommendations to double the grant to increase impact.<sup>587, 588, 589</sup>

Alongside the Pupil Development Grant, FSM is a key policy for reducing the cost of sending a child to school in Wales and supporting educational attainment for children from low-income families.<sup>590, 591, 592</sup> Entitlement to FSM is strongly linked to educational attendance, attainment and overall wellbeing.<sup>593, 594, 595</sup> However, third-sector organisations in Wales, including the Bevan Foundation and Save the Children have criticised the FSM application process as cumbersome. This, and perceived stigma, may reduce take-up.<sup>596, 597</sup> Research in October 2020 also reported that over half of children living in poverty (70,000) were not eligible.<sup>598</sup> While more pupils have become eligible during the pandemic and take-up has increased, further extending eligibility and reducing stigma could help struggling families to cope and help to reduce the attainment gap, improve educational outcomes and address child poverty.<sup>599, 600</sup>

The Curriculum for Wales is scheduled for introduction from 2022; resourcing this and ensuring that less advantaged learners do not lose out will be a challenge.<sup>601</sup> Academics and practitioners warn that curriculum reform could make social and economic inequalities worse unless schools (particularly in deprived areas) receive significant additional investment.<sup>602, 603, 604, 605</sup> Only 30% of 600 teachers at 'pioneer schools' think curriculum reform will benefit disadvantaged pupils.<sup>606</sup>

### Post-16

In Wales, as elsewhere, a young person leaving school at 16 without five 'good' GCSEs faces significantly lower life chances and earning potential.<sup>607</sup> Young people have limited opportunities to resit GCSEs other than English, Welsh or maths, with gaps in

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<sup>585</sup> Welsh Government, [Written statement – pupil deprivation grant – second year evaluation report](#), 2015.

<sup>586</sup> Welsh Government, [Evaluation of the pupil deprivation grant](#), 2017.

<sup>587</sup> Welsh Government, [Education in Wales – Our National Mission: Update October 2020](#), 2020.

<sup>588</sup> Welsh Government, [Schools to share in over £90m to help disadvantaged learners](#), 2018.

<sup>589</sup> Welsh Government, [Education Minister Kirsty Williams doubles funding to support Wales' most disadvantaged learners with £10m package](#), 2021.

The grant's terms were extended to allow for the purchasing of laptops and tablets in response to the coronavirus pandemic.

<sup>590</sup> Bevan Foundation, [Transforming Wales: How Welsh public services and benefits can reduce poverty and inequality](#), 2020.

<sup>591</sup> Bevan Foundation, [A Welsh benefits system, how it can help solve poverty](#), 2020.

<sup>592</sup> Bevan Foundation, [Expanding the provision of free school meals in Wales: Practical considerations](#), 2021.

<sup>593</sup> Welsh Government, [Pupil development grant – Access](#), Accessed June 2021.

<sup>594</sup> Welsh Government, [Achievement and entitlement to free school meals 2019](#), 2019.

<sup>595</sup> Joseph Rowntree Foundation, [Education in Wales](#), 2021.

<sup>596</sup> Bevan Foundation, [Free school meals in Wales – A policy in need of reform?](#), 2018.

<sup>597</sup> Statistics for Wales, [Number of pupils taking free school meals on census day by local authority, region and year](#), 2020.

<sup>598</sup> Child Poverty Action Group, [Wales: Over half of children in poverty missing out on free school meals](#), 2020.

<sup>599</sup> Bevan Foundation, [Expanding the provision of free school meals in Wales: Practical considerations](#), 2021.

<sup>600</sup> Ibid.

<sup>601</sup> Welsh Government, [Curriculum for Wales: the journey to 2022](#), 2021.

<sup>602</sup> Cardiff Business School and Office and the Future Generations Commissioners for Wales, [Education fit for the future in Wales report](#), 2019.

<sup>603</sup> Wales Institute of Social and Economic Research and Data, [Curriculum reform and inequality: The challenges facing Wales](#), 2020.

<sup>604</sup> Wales Institute of Social and Economic Research and Data, [Successful futures for all: Explorations of curriculum reform](#), 2019.

<sup>605</sup> Wales Institute of Social and Economic Research and Data, [Findings from successful futures for all presented to Senedd](#), 2019.

<sup>606</sup> British Educational Research Association, [Curriculum reform and inequality: The challenges facing Wales](#), 2020.

<sup>607</sup> Bevan Foundation, [Transforming Wales: How Welsh public services and benefits can reduce poverty and inequality](#), 2020.

progression to higher levels. Upon leaving school, the majority of options for full-time vocational subjects are in low-paid sectors such as childcare, hair and beauty, and administration.<sup>608</sup>

Those who remain in school or further education have access to limited sources of support.<sup>609</sup> This can impact on engagement and participation among disadvantaged learners. The Educational Maintenance Allowance, at £30 a week for low-income learners, has not increased since the mid-2000s. Addressing financial barriers to participation is critical given the financial pressures on households as Wales emerges from the pandemic.<sup>610</sup> More than 5,000 young people now take up traineeships annually, with 5,650 starts in 2019-20, but limited options and variable quality in placements have attracted criticism.<sup>611</sup> The Financial Contingency Fund operated by colleges in Wales with funding from the Welsh Government is open to all students suffering hardship. However, it remains the case that costs can prove off-putting.<sup>612, 613</sup>



Data for 2019 showed that young people's life chances in Wales are still determined more by where they grow up than by their effort or ability.

Long-term prospects are limited for young people who pursue vocational learning or take up a Foundation apprenticeship, a traineeship or a Kickstart opportunity (a UK-wide policy discussed in Chapter 1 of this report). Data for 2019 showed that young people's life chances in Wales are still determined more by where they grow up than by their effort or ability.<sup>614, 615</sup> Those with few qualifications are most at risk of being left behind as we emerge from lockdown.<sup>616, 617</sup>

The Youth Engagement and Progression Framework, which aims to keep young people engaged in education, employment and training, has had some success. It has reduced the numbers of young people not in education, employment or training (NEET) and increased the numbers taking up apprenticeships.<sup>618, 619, 620</sup> However, evaluation shows that accountability for post-18 is under-developed, with gaps in provision. The new youth programme starting in April 2022 builds on the progress already made and

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<sup>608</sup> Ibid.

<sup>609</sup> Ibid.

<sup>610</sup> Ibid.

<sup>611</sup> Ibid.

<sup>612</sup> Ibid.

<sup>613</sup> Bevan Foundation, [A Welsh benefits system, how it can help solve poverty](#), 2020.

<sup>614</sup> Learning and Work Institute, [The 'postcode penalty' – What the youth opportunity index tells us about inequality of opportunity](#), 2019.

<sup>615</sup> Learning and Work Institute, [Youth opportunity index](#), 2021.

<sup>616</sup> Learning and Work Institute, [Wales faces unemployment crisis with one in five jobs in 'shutdown sectors'](#), 2020.

<sup>617</sup> Learning and Work Institute, [Understanding the potential impact of coronavirus in Wales](#), 2020.

<sup>618</sup> Welsh Government, [Formative evaluation of the youth engagement and progression framework: Final report](#), 2015.

<sup>619</sup> Welsh Government, [Youth engagement and progression framework implementation plan](#), 2013.

<sup>620</sup> Welsh Government, [Evaluation of the youth engagement and progression framework: follow-up study](#), 2016.

promises a more holistic approach, supporting employers to take on young people and prepare them for a new world of work. The Welsh Government has recently undertaken consultation on the Youth Engagement and Progression Framework; improvements to the present offer for young people are urgently needed in view of the impact of the pandemic on opportunities for young people.

The Welsh Government is considering raising the compulsory age of participation from 16 to 18 in education or training, as a way to help to reduce social and economic inequalities. This should be considered in the context of ongoing reforms to school age and post-16 provision in Wales, and alongside alternatives to compliance such as financial support and incentives for those on lower incomes.<sup>621, 622, 623</sup>

Record numbers of Welsh students from disadvantaged and non-traditional backgrounds now go on to higher education.<sup>624, 625</sup> However, Wales is still behind other nations; in August 2019, 25.8% of young people in Wales were starting an undergraduate course compared with 28.5% in England and 29.4% in Northern Ireland. Almost 16% of Welsh students from the most disadvantaged backgrounds had been accepted by universities compared with 17.3% in England.<sup>626, 627</sup>

While the pandemic created uncertainty for Welsh undergraduates and higher education institutions, academics predict that the trend of greater numbers progressing to higher education will continue, partly because opportunities elsewhere are limited.<sup>628</sup> In 2020, almost a third of Welsh 18-year-olds applied to universities – a record proportion.<sup>629</sup>

Fair and wider access to higher education has been a priority since the 2016 ‘Diamond Review’ of Higher Education Funding and Student Finance Arrangements.<sup>630</sup> The review’s recommendations led to wider access, improved part-time and postgraduate provision, and long-term financial sustainability.<sup>631</sup> Although tuition fees remain, the review also led to a more generous maintenance support package that is in line with the Living Wage. All students receive a grant of at least £1,000; learners from lower-income families receive a higher proportion of support as a grant, rather than as a loan which has to be paid back.<sup>632</sup>

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<sup>621</sup> Wales Centre for Public Policy, [Raising the age of participation in education or training to 18 in Wales](#), 2021.

<sup>622</sup> Bevan Foundation, [Transforming Wales: How Welsh public services and benefits can reduce poverty and inequality](#), 2020.

<sup>623</sup> Bevan Foundation, [A Welsh benefits system, how it can help solve poverty](#), 2020.

<sup>624</sup> Welsh Government, [Equity and excellence: further and higher education national mission report](#), 2021.

<sup>625</sup> Welsh Government, [Students in higher education: September 2019 to August 2020](#), 2021.

<sup>626</sup> Universities Colleges and Admissions Service, [Record number of disadvantaged students off to university](#), 2019.

<sup>627</sup> Universities UK, [Universities UK welcomes UCAS figures on disadvantaged students](#), 2019.

<sup>628</sup> Wales Institute of Social and Economic Research and Data, [COVID-19 and the uncertainty for new Welsh undergraduates](#), 2020.

<sup>629</sup> Ibid.

<sup>630</sup> Welsh Government, [The review of higher education funding and student finance arrangements in Wales](#), 2016.

<sup>631</sup> Welsh Government, [Welsh Government response to the recommendations from the Review of Student Support and Higher Education Funding in Wales \(‘the Diamond Review’\)](#), 2017.

<sup>632</sup> Wales Institute of Social and Economic Research and Data, [Reflecting on the Diamond Review](#), 2016.

### Case study

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#### Abi Chamberlain, 20

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Abi Chamberlain, 20, from Chepstow, faced a number of challenges through her education, but it was only when she reached university that she discovered she had been battling dyslexia throughout her educational life.



*“No matter how hard I tried, the work I was producing was of really poor quality it was making completing assignments a real challenge, so I made the decision to drop out. It made me feel worthless.”*

Anxious and worried for her future, Abi’s confidence reached an all-time low. She started to suffer from anxiety and depression and was referred for a series of counselling sessions through Mind, the mental health charity.

With the help of counselling, she managed to regain some confidence and eventually found the courage to try out a business extended diploma course in Coleg Gwent. One of the assessments was to explore potential business ideas. Abi’s idea for this assignment was to launch a Welsh-themed luxury hamper, with products sourced from around Wales.

The college put Abi in contact with The Prince’s Trust, where she took part in The Trust’s Enterprise course, a week-long programme for 18 – to 30-year-olds to help them take their first steps into self-employment. Abi received funding to purchase initial stock, launch her website, and was provided with a volunteer business mentor. Abi thrived on the course and benefitted from meeting other young people like her with the same drive to “be their own boss”.

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Abi launched her business, the Welsh Luxury Hamper Company, and now provides luxury hampers with products sourced from all around Wales, inspired by Wales' beautiful landscape and heritage.

She has successfully launched 13 new ranges of products, including a Welsh Letterbox range, specially adapted to be contact-free during the COVID-19 lockdown.

Additionally, Abi has told her story on behalf of The Prince's Trust; discussing her business and her battle with mental health and dyslexia to inspire other young people to take the next step.

Launching a business and standing my ground in a male-dominated world was something that worried me, but The Prince's Trust helped me build up my confidence to tackle this and use my story to inspire and empower young people. Wherever you come from in life, if you work hard, anything is possible.



## The impact of COVID-19 on education

COVID-19 transformed the learning landscape, exposing deep-seated inequalities and presented new policy challenges.<sup>633, 634</sup> School and college closures put learners and families under immediate pressure.<sup>635, 636</sup> Household costs increased across the board, though the impact was not evenly felt.<sup>637, 638, 639</sup> Lower-income families faced particular challenges with lack of digital devices, limited data allowances and bandwidth restrictions. The quality of the home learning environment became a key determinant of educational achievement, learning, wellbeing and life chances.<sup>640, 641</sup> ‘Learning loss’ for children and young people is expected to be significant in Wales, as elsewhere, impacting on future prospects for social mobility, and particularly on disadvantaged pupils.<sup>642, 643</sup>

Each nation developed its own policy response and ways of maintaining learning and handling school and college closures.<sup>644, 645</sup> Delays in decision-making affected disadvantaged pupils the most across all parts of the UK.<sup>646</sup> However, relatively speaking, the Welsh Government’s decision-making was swift. It targeted resources at those in need and focused on improving the educational experience of the most deprived, in line with the Sutton Trust recommendations and their own policy objectives.<sup>647, 648</sup> Challenges remained for pupils in Wales studying in rural and remote areas due to poor connectivity and weaker infrastructure.<sup>649</sup>

The Welsh Government developed the ‘Recruit, Recover, Raise Standards’ programme to mitigate the impact of the pandemic on education. This provides funding to improve schools’ capacity to support learners, particularly those most affected by school closures.<sup>650</sup> Its success will be affected by (among other things) the way that blended teaching and learning is delivered; the methods and models of catch-up support; and the design, delivery and uptake of professional development for new and existing education workers.<sup>651</sup> Early findings show that across the UK, children receiving FSM, from single-parent households, with less-educated parents, and with Pakistani and

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<sup>633</sup> United Nations Children’s Fund, [Children in lockdown: What coronavirus means for UK children](#), 2020.

<sup>634</sup> Wales Centre for Public Policy, [The education response to coronavirus: Implications for schools in Wales](#), 2021.

<sup>635</sup> Wales Institute of Social and Economic Research and Data, [COVID-19 and school closures](#), 2020.

<sup>636</sup> Sutton Trust, [COVID-19 impacts: School shutdown](#), 2020.

<sup>637</sup> Bevan Foundation, [Different experiences of poverty in Winter 2020](#), 2021.

<sup>638</sup> Joseph Rowntree Foundation, [Briefing: Poverty in Wales](#), 2020.

<sup>639</sup> Bevan Foundation, [New data published by the End Child Poverty Coalition highlights extent of child poverty in Wales](#), 2021.

<sup>640</sup> Wales Institute of Social and Economic Research and Data, [Well-being of school children in Wales: European comparisons](#), 2020.

<sup>641</sup> United Nations Children’s Fund, [World’s of Influence: Understanding what shapes child well-being in rich countries](#), Unicef UK: Report card 16 briefing, 2020.

<sup>642</sup> Wales Institute of Social and Economic Research and Data, [COVID-19 and school closures](#), 2020.

<sup>643</sup> United Nations Children’s Fund, [Children in lockdown: What coronavirus means for UK children](#), 2020.

<sup>644</sup> Wales Centre for Public Policy, [The education response to coronavirus: Implications for schools in Wales](#), 2021.

<sup>645</sup> Education Policy Institute, [Education policy responses across the UK to the pandemic](#), 2020.

<sup>646</sup> Nuffield Foundation, [Poor policy decisions by UK nations during schools crisis affected disadvantaged pupil the most](#), 2020.

<sup>647</sup> Sutton Trust, [Social mobility and COVID-19](#), 2020.

<sup>648</sup> Wales Centre for Public Policy, [The education response to coronavirus: Implications for schools in Wales](#), 2021.

<sup>649</sup> Wales Institute for Social and Economic Research and Data, [COVID-19 and school closures](#), 2020.

<sup>650</sup> Welsh Government, [Recruit, recover, raise standards: the accelerating learning programme](#), 2020.

<sup>651</sup> Wales Centre for Public Policy, [Education attainment: Responding to the Coronavirus pandemic](#), 2020.

Bangladeshi heritage spent significantly less time than their peers on schoolwork at home during lockdown. Those with additional needs and pupils with difficult home environments did not always receive adequate support.<sup>652</sup>

The Welsh Government's approach prioritises the needs of such vulnerable and disadvantaged learners. Guidance focuses on how to accelerate learning for disadvantaged groups, and contingency planning for the reopening of schools in September 2020 was designed to benefit them specifically.<sup>653, 654</sup>

Plans to develop digital resilience were also put in place as part of COVID-19 recovery.<sup>655</sup> Despite attempts to mitigate the impact of 'learning loss' particularly on disadvantaged learners, early findings suggest that digital provision has been "patchy and inconsistent", with Wales not mandating a minimum number of daily hours of remote learning. The Future Generations Commissioner in Wales has called for a clearer national approach, greater consistency and stronger leadership. Many students continued to experience a blended model of learning when schools reopened; the Welsh Government and delivery partners must carefully evaluate and monitor new modes of learning developed in light of school closures to ensure they do not increase educational inequalities.<sup>656</sup> The need for consistency of standards and approach here reflects concerns about curriculum reform more generally. Inconsistent provision is likely to impact on disadvantaged learners the most. Clarity and guidance for parents (and children) on digital learning is essential, so that less advantaged learners and low-income families do not lose out.<sup>657</sup>



The widening of the attainment gap between pupils mirrors the UK-wide pattern but is likely to be more profound in Wales due to the nation's underlying socio-economic profile.

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<sup>652</sup> Wales Centre for Public Policy, [The education response to coronavirus: Implications for schools in Wales](#), 2021.

<sup>653</sup> Welsh Government, [Guidance for supporting vulnerable and disadvantaged learners](#), 2020.

<sup>654</sup> Welsh Government, [Survey of effect of COVID-19 on learners \(2020\): Results summary](#), 2021.

<sup>655</sup> Welsh Government, [Enhancing digital resilience in Education: An action plan for children and young people in Wales](#), 2020.

<sup>656</sup> Wales Centre for Public Policy, [The education response to coronavirus: Implications for schools in Wales](#), 2021.

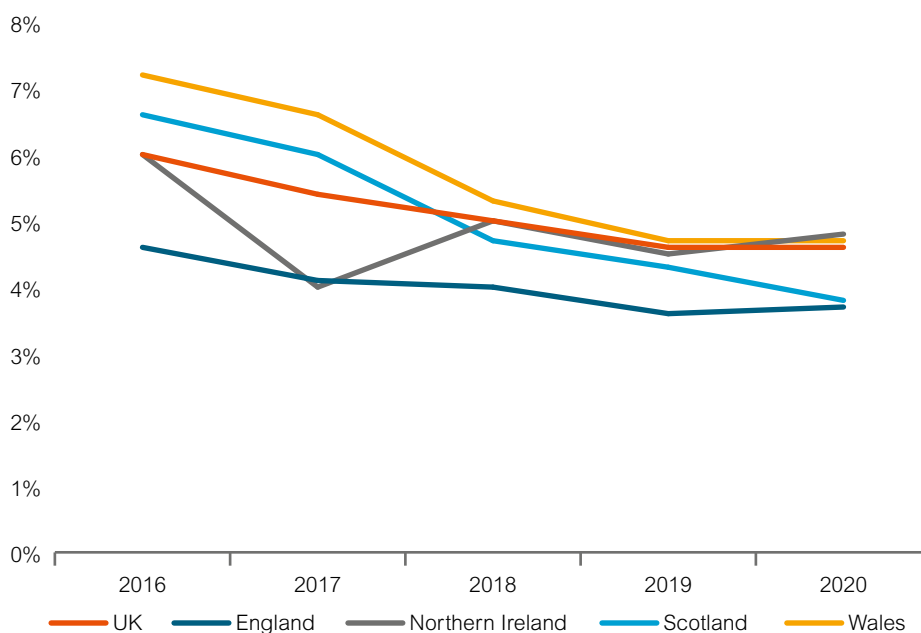
<sup>657</sup> BBC, [COVID-19 in Wales: Online education 'patchy and inconsistent'](#), Accessed June 2021.

Despite best efforts, educational inequalities in Wales will continue to increase in line with current trends, according to the predictions of academics and education experts. This will damage the prospects for future social mobility.<sup>658, 659</sup> The widening of the attainment gap between pupils mirrors the UK-wide pattern but is likely to be more profound in Wales due to the nation's underlying socio-economic profile.<sup>660, 661</sup>

## Employment

In Wales, unemployment among those from working class backgrounds has generally been higher than in the rest of the UK (figure 5.5). The pre-COVID-19 reduction may have been influenced by demography, as people who had been economically inactive since deindustrialisation in the 1980s became pensioners.<sup>662</sup>

**Figure 5.5:** Unemployment rate of people from working class backgrounds across the United Kingdom (three year moving average)



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Notes:** People age 16 to 64. UK: margin of error varies from 0.3% to 0.5% for individual statistics; England: margin of error varies from 0.2% to 0.3% for individual statistics; Northern Ireland: Margin of error varies from 0.6% to 1.1% for individual statistics, so changes across individual years should be treated with caution. Scotland: margin of error varies from 0.6% to 0.9% for individual statistics, so changes across individual years should be treated with caution; Wales: margin of error varies from 0.8% to 1.2% for individual statistics, so changes across individual years should be treated with caution. See Appendix Table B3 for sample sizes and 95% confidence intervals

<sup>658</sup> ITV, [Experts warn of 'long term damage' to education due to school closures, 2020.](#)

<sup>659</sup> Education Policy Institute, [Education policy responses across the UK to the pandemic, 2020.](#)

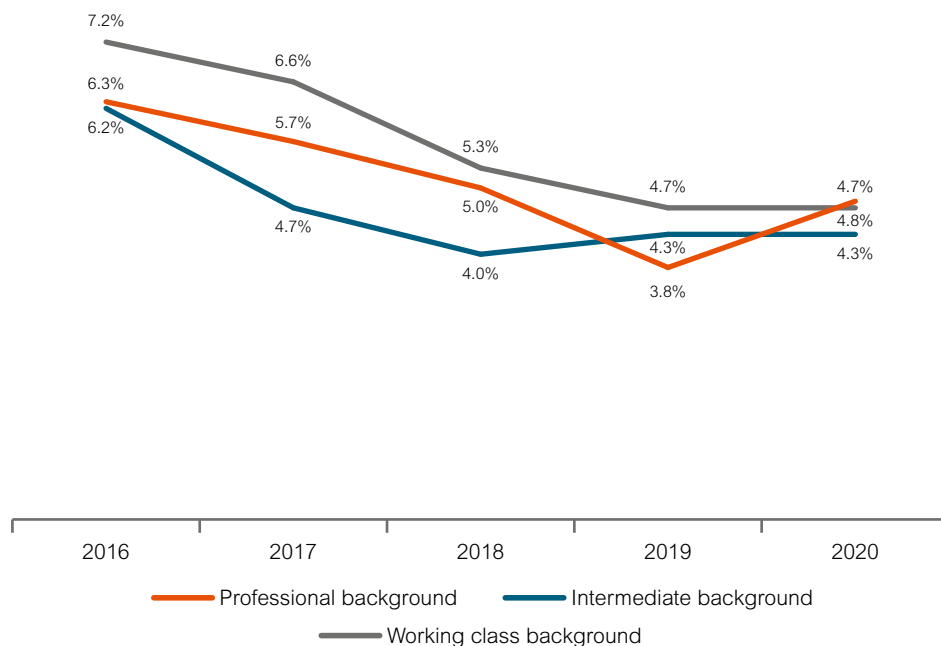
<sup>660</sup> ITV, [Experts warn of 'long term damage' to education due to school closures, 2020.](#)

<sup>661</sup> Wales Institute of Social and Economic Research and Data, [COVID-19 and school closures, 2020.](#)

<sup>662</sup> Bevan Foundation, unpublished analysis by Dr Steffan Evans.

Overall, unemployment rates in Wales have fallen for all socio-economic groups since 2016. Other than in 2020, those from working class backgrounds had the highest levels of unemployment (figure 5.6).

**Figure 5.6:** Unemployment rate in Wales by socio-economic background (three year moving average)



**Source:** SMC Analysis of Labour Force Survey (ONS)

**Notes:** People aged 16 to 64. Margin of error varies from 0.3% to 0.5% for individual statistics; see Appendix Table B3 for sample sizes and 95% confidence intervals. Those who are on the COVID-19 Job Retention Scheme (furlough) are not classed as unemployed and so are not included

The Welsh Government Economic Action Plan, launched in 2017, prioritises inclusive growth, enterprise, and creating more and better-quality jobs supported by an employability plan.<sup>663</sup> The employability plan, published in 2018 and updated since, prepares Wales for a radically different world of work.<sup>664</sup> The approach is about developing skills for the future, supporting those furthest from the labour market, developing initiatives to tackle in-work poverty and supporting job progression.<sup>665</sup>

This approach was having some impact before COVID-19.<sup>666</sup> In autumn 2019, progress was being reported on economic opportunity, employability and equality.<sup>667</sup> Valleys Taskforce initiatives, like the Peer-to-Peer Entrepreneurs Network and better-targeted business support, suggest that tailored support has potential.<sup>668</sup> Ongoing investment

<sup>663</sup> Welsh Government, [Prosperity for all: economic action plan](#), 2017.

<sup>664</sup> Welsh Government, [Employability plan](#), 2018.

<sup>665</sup> Welsh Government, [Prosperity for All: economic action plan](#), 2017.

<sup>666</sup> Carnegie Trust, [Making Wales a fair work nation](#), 2019.

<sup>667</sup> Welsh Government, [Employability plan progress report](#), 2018.

<sup>668</sup> Welsh Government, [The valleys taskforce, 2016-2021: a final report](#), 2021.

in social enterprise infrastructure has also enabled dynamic growth. By 2020, 2,000 social enterprises employing 55,000 people contributed over £3 billion to the Welsh economy.<sup>669</sup>

The Welsh Government's Economic Contract is at the heart of its approach to providing business support, giving priority to businesses which commit to its core principles, including fair work, the Living Wage and promoting wellbeing. The Foundational Economy Fund Challenge fund piloted projects to support 'fair work' and local jobs.<sup>670</sup>

Place-based regeneration programmes trialled initiatives to solve poverty and promote economic growth.<sup>671</sup> The 'Transforming Towns' programme and other regeneration initiatives have invested in towns, coastal communities and rural areas and are instrumental in supporting jobs close to home, especially in deprived areas.<sup>672</sup>

### The impact of COVID-19 on employment



An estimated 250,000 jobs in Wales – one in five – are in the sectors most impacted by measures to slow the spread of the virus, or where most businesses were forced to reduce trading or close altogether.

Post-COVID-19, Wales is likely to be more exposed than other parts of the UK to rising unemployment levels.<sup>673</sup> An estimated 250,000 jobs in Wales – one in five – are in the sectors most impacted by measures to slow the spread of the virus, or where most businesses were forced to reduce trading or close altogether; if a quarter of those workers lost their job, it would mean that unemployment levels would surpass those seen under the last recession.<sup>674</sup>

Young people, women and those with the lowest qualification levels are most likely to lose their jobs as a result of the crisis, including those with lower qualifications in low-paid, low-skilled, 'fragile' employment, and those already facing labour market disadvantages, including disabled people, ethnic minorities and other minority groups.<sup>675, 676, 677</sup>

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<sup>669</sup> Wales Cooperative Centre, [Transforming Wales through social enterprise: 10 year vision and action plan](#), 2020.

<sup>670</sup> Welsh Government, [The valleys taskforce 2016 to 2021: final report](#), 2021.

<sup>671</sup> Welsh Government, [Transforming Towns: support to improve towns](#), 2018.

<sup>672</sup> Ibid.

<sup>673</sup> Learning and Work Institute, [Understanding the potential impact of coronavirus in Wales](#), 2020.

<sup>674</sup> Ibid.

<sup>675</sup> Ibid.

<sup>676</sup> Joseph Rowntree Foundation, [Poverty in Wales 2020](#), 2020.

<sup>677</sup> Equality and Human Rights Commission, [Rebuilding a more equal and fairer Wales: focus on the unequal impact of the coronavirus pandemic](#), 2020.

By March 2021, the ‘COVID-19 Commitment’ had supported 22,000 individuals with careers advice and guidance through Working Wales. Community Employability Programmes had supported 9,000 people, with nearly 4,000 entering employment during the pandemic; 6,000 people applied for a Personal Learning Account, 2,000 ReAct vocational training grants were awarded, and 1,300 Apprentices were recruited via employer incentives.<sup>678</sup>

Digital skills is one area where generally insufficient progress was brought into sharp focus during the pandemic.<sup>679, 680</sup> Digital exclusion – problems of access, confidence, resources and capability – and data poverty proved major challenges, especially for low-income workers and job-seekers.<sup>681</sup> The Welsh Government responded by topping up the UK offer with digital resources, and £500 additional payments for social care.<sup>682</sup> Additional investment in the Digital Communities Wales infrastructure included adapting Communities for Work and Communities for Work Plus services to provide people with digital access, resources and support to develop skills and keep learning and job-hunting.<sup>683</sup>

A decade on from the 2011 Digital Wales strategy, employers report that digital skills gaps are still holding back innovation, productivity and growth.<sup>684, 685</sup> The 2021 employability plan prioritises developing digital confidence and skills, to increase the employability and competitiveness of low-skilled, unskilled and young people.<sup>686, 687</sup>

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<sup>678</sup> Welsh Government, [Written statement: Employability plan annual statement 2021](#), 2021.

<sup>679</sup> Learning and Work Institute, [Disconnected? Exploring the digital skills gap](#), 2021.

<sup>680</sup> Wales Cooperative Centre, [From Inclusion to Resilience: An agenda for digital inclusion](#), 2021.

<sup>681</sup> Nesta, [Data poverty in Scotland and Wales](#), 2021.

<sup>682</sup> Welsh Government, [First Minister of Wales announces £500 extra payment for care staff](#), 2020.

<sup>683</sup> Welsh Government, [Digital Communities Wales: Digital confidence, health and well-being: Process evaluation and theory of change](#), 2021.

<sup>684</sup> Welsh Government, [Digital Wales: Delivery plan delivering a digital Wales](#), 2011.

<sup>685</sup> Learning and Work Institute, [Disconnected? Exploring the digital skills gap](#), 2021.

<sup>686</sup> Welsh Government, [Written Statement: Employability Plan Annual Statement 2021](#), 2021.

<sup>687</sup> Wales Cooperative Centre, [From Inclusion to Resilience: An agenda for digital inclusion](#), 2021.

### Case study

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#### Josie Eddy, 25

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Josie Eddy, 25, from Treorchy in the Rhondda Fawr valley area of Wales, was in her final year of school when she unexpectedly fell pregnant.



After going through family difficulties, she had been arguing a lot with her parents and became involved in an emotionally abusive relationship.

*“It was unplanned. I was in a rough part of my life at that time. I went into the wrong crowd and met someone that was not my normal type”*

After making the brave decision to leave the relationship, Josie lived with her parents and received benefits.

*“I was pretty good at saving stuff, but I wanted to do stuff for my child myself. That’s why I was thinking, how am I going to go to work and pay for my child myself, not off everybody else?”*

But looking for work as a single mum in Treorchy was difficult.

*“Not many jobs around in the valleys. They’re more in the cities, which would be Cardiff or Swansea, so there’s basically travel to work unless you’re lucky enough to have a job in say a Co-op or a little shop on the corner or in the high street.”*

Josie also struggled with leaving her baby with others.

*“I felt bad for leaving him with someone else. I was scared other people would take him away.”*

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A youth worker noticed that she was finding life challenging and referred her to the Prince's Trust Explore programme, which helps 16-25-year olds re-engage in education, training or employment through confidence-building activities.

*"I had a three-day residential over the weekend. Three days without my son and sleeping without my son. That was the biggest accomplishment I'd ever done, and that made me realise I am Josie; not just a mother."*

The course also made Josie realise she wanted to be a youth worker, and now she is employed by the Youth Engagement Participation Service in Treorchy. In 2020, she won Volunteer of the Year and was also a finalist for Volunteer of the Year in England and Wales.

Juggling parenthood and work can be hard.

With the youth work, it's mainly nights. My mum works full-time and my dad works shifts, so they could look after my son for me while I go out in the night two or three times a week, but I'm finding it more hard to have day jobs as he's in school now. I don't drive, so I have to think about travel. Then having to get him from school, which is 3pm, which my mother and father can't do. You do cope with it.

Despite all this, Josie is clear she loves her job.

*"Having my son and being finalists for these awards were the best achievements of my life."*



## Poverty and living standards

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31% of children in Wales live in poverty – more than one in five in every local authority

Poverty in Wales remains stubbornly persistent.<sup>688</sup> There has been limited progress in reducing child poverty in Wales for over a decade. The modest positive trends prior to 2015 went into reverse in Wales before the pandemic, as predicted, because of UK government tax and welfare reforms.<sup>689, 690</sup> The child poverty rate in Wales is higher than that seen in Scotland and Northern Ireland and about the same as seen in England (figure 5.7): 31% of children in Wales live in poverty – more than one in five in every local authority.<sup>691</sup> In Wales, 71% of children living in poverty between 2017 and 2020 lived in working households, and this figure has been steadily increasing in recent years.<sup>692</sup> Wales, alongside London and the north of England, has the highest levels of in-work poverty compared to other areas of the UK.<sup>693</sup>



Wales, alongside London and the north of England, has the highest levels of in-work poverty compared to other areas of the UK.

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<sup>688</sup> Wales Centre for Public Policy, Review of poverty in Wales, Coming in 2021.

<sup>689</sup> Equalities and Human Rights Commission, [Is Wales fairer 2018?](#), 2018.

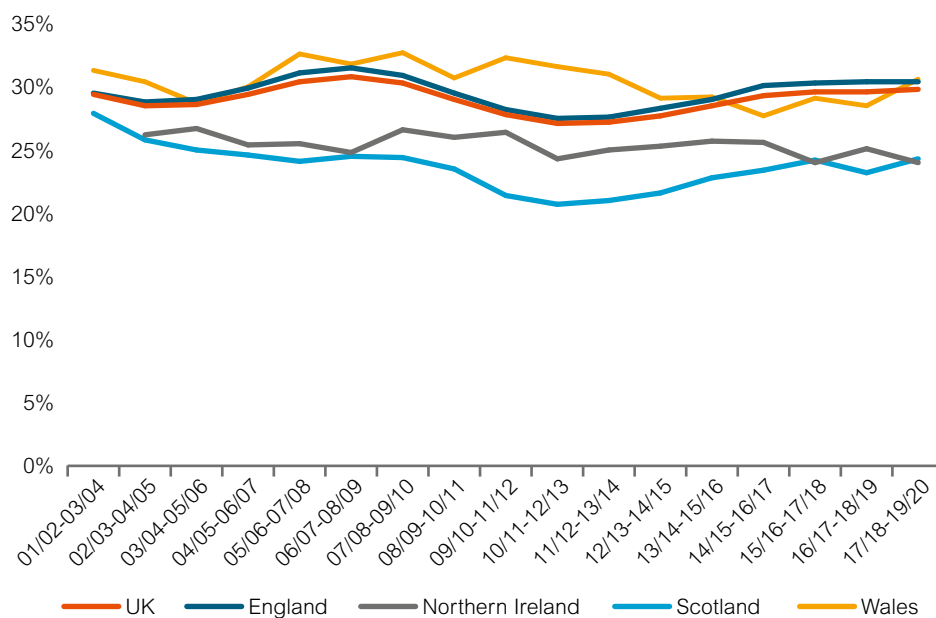
<sup>690</sup> Wales Institute of Social and Economic Research, [Poverty in Wales: are we getting the full picture?](#), 2018.

<sup>691</sup> Welsh Government, [Households below average income](#), 2021.

<sup>692</sup> Welsh Government, [Children in relative income poverty by economic status of household](#), Accessed June 2021.

<sup>693</sup> Institute for Public Policy Research, [No longer managing](#), 2021.

**Figure 5.7:** Percentage of children in poverty across the United Kingdom (after housing costs, three year averages)



**Source:** Department for Work and Pensions, [Households below average income for financial years 1995 to 2020](#), 2021

**Note:** This is based on a poverty line defined as 60% of the contemporary median after deducting housing costs

The focus of the 2015 Child Poverty Strategy and Action Plan, refreshed in 2020, has been to tackle worklessness, increase employability and skills, address inequalities, maximise income and alleviate the effects of welfare reform and aggressive fiscal consolidation.<sup>694, 695, 696</sup> Family support initiatives have aimed to improve health, training and employment opportunities.

In March 2020, the Welsh Government concluded its review of programmes to ensure they have maximum impact on child poverty in Wales and, as a result of this work, published the Child Poverty Income Maximisation Plan; however, this in many ways continues the approach taken since 2015.<sup>697</sup> Given the risk of a significant spike in child poverty, a more radical approach is needed; it is vital that the Child Poverty Strategy is refreshed.

The number and proportion of people living in poverty is expected to have increased further due to the pandemic.<sup>698, 699</sup> Higher poverty rates in poorer areas are anticipated. People working in certain low-paying sectors will be hit worse by job losses, pushing them and their children further into poverty.<sup>700</sup>

<sup>694</sup> Welsh Government, [Child poverty strategy for Wales](#), 2015.

<sup>695</sup> BBC, [No end to child poverty by 2020, Welsh Government says](#), Accessed June 2021.

<sup>696</sup> Welsh Government, [Child poverty: income maximisation action plan 2020 to 2021](#), 2021.

<sup>697</sup> Ibid.

<sup>698</sup> Joseph Rowntree Foundation, [Briefing: Poverty in Wales](#), 2020.

<sup>699</sup> Learning and Work Institute [Understanding the potential impact of coronavirus in Wales](#), 2020.

<sup>700</sup> Joseph Rowntree Foundation, [Briefing: Poverty in Wales](#), 2020.

Without further investment, poverty, and child poverty in particular, look set to increase significantly. This will have adverse impacts on living standards and poverty rates in general, and especially on children's life chances and prospects for social mobility. The Welsh Government's tax-raising powers mean there is potential to invest in a more redistributive system to mitigate child poverty and enhance prospects for social mobility for lower socio-economic groups, ensuring investment in the life chances of future generations.



## Conclusion

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Wales is a small nation faced with an unprecedented challenge, created by COVID-19. Its social and community infrastructure put it at a significant advantage when the pandemic struck.<sup>701</sup> The Welsh Government responded flexibly, supporting economic resilience and targeting additional funds at those hardest hit. Yet COVID-19 also exposed how easily and swiftly limited progress could be undone, with adverse consequences for future generations. Continued investment in the early years, young people, and the most disadvantaged is vital as Wales builds back.

Political commitment to solving poverty and inequalities remains a crucial part of Wales' focus, alongside community resilience, compassion and fairness.<sup>702</sup> The newly elected Welsh Government is rightly prioritising national post-pandemic recovery and rebuilding, with a firm focus on the wellbeing of future generations. Learning lessons around governance and delivery, to close the gap between ambition and impact, will be critical.<sup>703, 704</sup> The debate on spending and tax priorities in Wales is likely to rise up the agenda in the next five years.

Wales will require unprecedented levels of UK Government investment to enhance the Welsh national offer, and it needs to ensure that it gets a fair share of resources from the UK Shared Prosperity Fund (UKSPF) that replaces EU funding in 2022. Political debate about how much control the Welsh Government has over the fund is likely to become pressing. There is concern that the UKSPF could recentralise power to Westminster, severely limiting and undermining the ability of Wales to shape its future.<sup>705</sup> As a minimum, Wales should have the leverage it had with EU funding.<sup>706</sup>

As Wales enters into a third decade of devolution, and emerges from the pandemic, the Senedd and the Welsh Government have a unique opportunity to use devolved powers to pursue a bold vision for change. The WFGA – combined with the socio-economic duty and Wales' tax-raising powers – gives the Senedd and the Welsh Government the power to invest in measures which promote social mobility. It is vital that, following the pandemic, Wales uses these policy tools and its devolved leverage to tackle the profound obstacles to social mobility the nation faces.<sup>707</sup>

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<sup>701</sup> Education Policy Institute and Nuffield Foundation, [Education policy responses across the UK to the pandemic](#), 2020.

<sup>702</sup> Equality and Human Rights Commission, [Rebuilding a more equal and fairer Wales: focus on the unequal impact of the coronavirus pandemic](#), 2020.

<sup>703</sup> Wales Centre for Public Policy, [WCPP evidence briefing papers](#), 2021.

<sup>704</sup> Wales Centre for Public Policy, [Building back better? Priorities for reconstruction after the coronavirus pandemic](#), 2021.

<sup>705</sup> Minto, R. and Parken, A., [The European Union and regional gender equality agendas: Wales in the shadow of Brexit](#), 2020.

<sup>706</sup> Institute for Government, [The Sewel convention](#), 2020.

<sup>707</sup> Wales Governance Centre, [Welsh election 2021 Fiscal outlook and challenges for the next Welsh Government](#), 2021.

